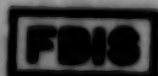


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7 October 1980

West Europe Report

No. 1635



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7 October 1980

WEST EUROPE REPORT

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BELGIUM, NETHERLANDS SIGN AGREEMENT ON LINGUISTIC UNION

Union Strengthens Identity

Brussels LE SOIR in French 11 Sep 80 pp 1, 2

[Article by J. v. H.]

[Text] A convention instituting a "Dutch Language Union" has just been signed at Egmont Palace, in Brussels, between Belgium and the Netherlands. The Flemish press has stressed the historic significance of this first international cultural pact concluded between the Flemish community and Holland. This "linguistic union" aims above all at "integrating, in the largest sense, the Netherlands and the Dutch community of Belgium in the field of language and letters."

The document was signed by Mr Charles-Ferdinand Nothomb, minister of foreign affairs, for Belgium, and by his Dutch colleague, Mr D. F. van der Mei, secretary of state for foreign affairs. Also attending the signing ceremony: Mrs Rita de Backer, minister of the Dutch community, and Mr Willy Calewaert, minister of national education, Dutch-speaking sector.

Before entering into force, the convention must still be approved by the Dutch Parliament and by the Dutch community of Belgium. In the document, the Belgian and Dutch governments say they consider that "the Dutch language constitutes an indivisible cultural heritage for all Dutch-speaking people, and an irreplaceable instrument of social, scientific, cultural, and literary communication in the two countries and between them."

In the convention, the two states also point out that "recent developments of reform of the Belgian state and the evolution in sensibilities require the achievement of the strengthening of Dutch cultural identity in an institutional framework having the status of public law inasmuch as the Dutch community wishes to make its unique contribution to a European and world community that are evolving."

The contracting parties decided to establish a common official orthography and grammar, to establish jointly a uniform terminology for legislation and official publications, to follow a common policy with regard to private initiatives in the field of dictionaries, glossaries, and grammars, to establish together the criteria for obtaining a certificate attesting to knowledge of Dutch, and to follow a joint policy with regard to Dutch language and letters in the international context, and especially in the context of the European communities."

Mr Nothomb described this convention as "an imported stage in the evolution of relations between the two countries," while Mrs De Backer for her part laid stress "on the European perspective in which the convention must be seen."

There were also exchanges of awards. The Netherlands delegates were presented the Great Cross of the Order of Leopold II. Mrs De Backer, Mr Nothomb and Mr Calewaert received the Great Cross of Orange-Nassau.

The ministry of the French community is putting out the word that French-speakers do not need "such an international juridical instrument. We work more pragmatically," it was said, "in the international council of the French language, presently chaired by a well-known Belgian, the grammarian Joseph Hanse." The French community ministry is said to be more interested in concluding technical cooperation agreements with French-language countries.

Agreement More Than Symbolic

Brussels LE SOIR in French 11 Sep 80 p 2

[Article by J. D. D.]

[Text] This linguistic union, which is hailed in Flanders as a gesture symbolic of the reunion of two related communities separated by the revolution of 1830, is the end result of a long struggle which the first leaders of Vlaamse Beweging, Jan-Frans Willems above all, had championed. For a long time, it must be admitted, the Hollanders were reluctant at the prospect of holding discussions on a basis of equality with the Flemish on the subject of a language which the former did not regard as all that similar. In their view, Flanders appeared as linguistically picturesque, as the semi-dialect of authors such as Gezelle, Streuvels, of Timmermans seemed to them rather unusual, but grammatically lamentable not only because of the influence of patois, but above all because of French contamination (Conscience, Buysse, Van de Woestijne, could as well have been authors in the French language, and their use of Dutch, in various ways, reflected this).

Since then, things have changed, and the Flemish more and more began to adopt the same tone as their neighbors to the north. The Flemish press

is written in impeccable Dutch, the radio and television journalists willingly affect the ultra-Moerdijk accent. At the official and academic level, standards have been set. In 1951, at the instigation especially of Herman Teirlinck, the "Alegemene Konferentie der Nederlandse Letteren" was founded, which instituted the Dutch Letters Prize, the highest literary distinction of the low countries, awarded alternately to a writer from the Low-Countries [Netherlands] of the North and of the South. It also produced what Dutch-speakers (and others) call the "groene Bijbel" [translation unknown], that small green book which is [otherwise known as] the "Woorden-lijst van de Nederlandse Taal," wherein, however, differences in orthographic usage were not given an order of preference.

There will result from this "Taalunie" an academically fixed language, a "good usage" which one can expect may be strict and repressive. Trying to strike a balance between the English idiomatic pragmatism and the French taste for standards, the Dutch-speakers have leaned toward the second. Which is paradoxical: by simply opening a Netherlands daily newspaper one can see a swarm of borrowings from foreign languages, even French. Cosmopolitan imports which the Flemish, in their concern to be more purist than their northern brothers, deny themselves.

It is a very good bet that this major reform will have an impact on the linguistic examinations in our country. Instructions will be given to drive out the Gallic usages so typical of "Belgian" usage with an unprecedented severity. One will not have to wait long for the response: one will no longer tolerate "almost-correct" usage in the French-language speeches of Flemish candidates, whose apparent fluency in the language of Voltaire does not always withstand closer inspection...Has the day of the pedants returned?

9516

CSO: 3100

SCANDALS SEEN UNDERMINING KREISKY GOVERNMENT'S REPUTATION

Zurich DIE WELTWOCHEN in German 20 Aug 80 p 15

[Article by Inge Santner: "Collapse of Political Morality"]

[Text] In the first 6 months of 1980 Austria hardly stopped admiring itself. There were anniversaries at every turn: the 10th year of the Kreisky government, the 25th year of the neutrality treaty, the 35th year of the second republic, the 60th year of the constitution. The self-congratulatory pats on the back never stopped. Austrians felt they were living on a solidly supported Isle of the Blest in a world of war, terrorism, strikes and unemployment. Foreign guests at the celebrations confirmed what wonderful progress the adroit, politically astute sorcerer's apprentice on the banks of the Danube had achieved.

In the second half of 1980 sobriety returned, and more besides: the realization that the Isle of the Blest is built on a morass into which it threatens to sink.

After 10 years of apparently successful government, the SPOe (Austrian Socialist Party) suddenly finds itself in the most difficult situation imaginable. It is being racked by scandals involving money, corruption and politics. It can no longer solve all the problems facing it. It cannot even preserve parliamentary unity any longer. The red team is being divided more and more clearly into two hostile camps: on one side the new-style pragmatists around Vice-Chancellor and Minister of Finance Hannes Androsch, on the other the old-style Marxists around Chancellor Kreisky, for whom, at least for the moment, ideology still matters.

The major topic in Austrian domestic policy for weeks has been a serialized crime story entitled "AKH" [General Hospital]. It is about the megalomaniac new building of the Vienna General Hospital, a hospital of superlatives, which was planned 25 years ago and which may be completed in 1986 at the earliest. The 24-story monstrosity will not only disfigure the skyline of the Austrian capital for centuries but, over and above that, will ruin Austrian finances permanently. Its cost is about 7 billion Swiss francs. Each of its 2,173 beds comes out to 2.5 million Swiss francs, making them at least six times more expensive than comparable beds outside Austria.

The biggest political scandal in postwar Austria is partly responsible for the incomprehensibly high construction costs. Principally due to the stubborn research of the Viennese news magazine PROFIL, it was revealed that bribery money in the amount of tens of millions has been passed in connection with the AKH (General Hospital). Apparently contracts were given only to companies which paid a 5-to 10-percent cut into secret accounts in Liechtenstein.

The daily revelations, in which all the Austrian media, with the exception of the purely socialist, participated gleefully, are a long way from being concluded. Now, highly paid companies, of which no one has ever heard, continue to turn up. There is a lot of mutual back-scratching. There is a virtually impenetrable jungle of companies, subcompanies and sub-sub-companies. The number of arrests--currently two AKH managers and seven company representatives are in prison--will certainly rise. But it is already clear now: something is rotten in the way the highest SPOe officials managed their responsibility, all the way up to the Minister of Finance Androsch, whose private tax consulting firm Consultatio was getting a good piece of the AKH pie.

Additional excitement in domestic politics has been provided since mid-June by the news that the Austrian Steyr-Daimler-Puch Co wants to deliver 100 Kuerassier tanks along with 300 submachine guns to the military junta in Chile. A truly unfortunate business!

It is true that the times are long past when a Viennese defense minister--Karl Luetgendorf--had to resign because he had approved the sale of 399,600 rounds of ammunition to Syria. Since then Austria has shown no inhibitions about earning its share in the international boom in weapons. Its military industry has undergone rapid expansion in the last 3 years. Saving jobs seems to be more important today than a serious policy of neutrality. In theory the government is supposed to grant special approval to each export of war material and insure that no Austrian-made weapons end up in a crisis area. In practice it decides according to the prevailing status of orders. If it is bad, delivery is made, regardless of neutrality.

A sale of armor to Argentina, with its dictatorial regime, met with the full approval of government offices in Vienna. In Bolivia too, as photographs of the military coup showed, Austrian tanks are being used. But Chile, Chile of all places, which is practically the embodiment of a rightwing dictatorship for the mass of Austrian social democrats!

The argument about the arms deal between Austria and Chile is dividing the SPOe, and emotions are kept up by an unending series of interviews. Chancellor Kreisky, top trade union officials Benya and Sekaniaa, as well as Hannes Androsch, would have liked to save the lucrative contract for the Steyr works. SPOe secretary Karl Blecha, party chairman Heinz Fischer and the leader of the Young Socialists Cap are set against it. Fritz Prechtl, leader of the railroad workers' union, is going one step further. He is informing party leader Kreisky that, if it comes to it, there will be

a transport workers' strike. Nothing like it has been heard in peaceful Austria, where the SPOe and the OeGB (Austrian Trade Union Congress) have always pulled together.

Particular problems arise because these turbulent events are taking place against a background of gloomy economic forecasts. There is an alarmist mood among Austrian economists. The socialist policy of unrestrained borrowing, praised for years as the "Austrian way," has clearly led up a dead-end street. The welfare state has run out of ideas with its policy of passing out money on all sides.

In spite of the flourishing tourist industry the balance of trade deficit shot up in the first 5 months of 1980 to a record high of 1.5 billion Swiss francs. That is twice as high as in the same period in 1979 and almost ten times as high as in 1978. For the entire year 1980 the estimated deficit will be 4.2 billion Swiss francs. As of 31 December 1980, the national debt will climb to 34 billion Swiss francs--in 1975 it remained at a comparatively modest 13 billion Swiss francs. The disproportion between income and expenditures is assuming threatening forms, although the economy is holding firm. In line with this private savings are declining, inflation is again running at 7 percent.

In short, the Austrians have been living substantially beyond their means and are continuing to do so. For far too long they considered themselves to be special, spared all the unfavorable trends in the world economy. Let all the less intelligent on the outside tighten their belts, save energy and switch to smaller cars--Austria went on merrily spending.

Long years of uninterrupted power have corrupted the socialist party apparatus. Particularly in the traditionally red Viennese municipal administration a series of bribery scandals on the grandest scale is now breaking--the AKH affair is only the latest in an imposing list of scandals. A tangled system of giving favors to friends predominates over objective individual decisions. SPOe members holding multiple offices and trade union officials are drawing enormous salaries to represent the common man. The gap between party theory and practice is growing visibly. This is Austrian social democracy "turned middle-class" in the bad sense. Its officials aspire to councillors' apartments, owning a house and bourgeois symbols of prestige without assuming the virtues of the middleclass like thrift, hard work and honesty.

To what extent even the government members of the SPOe practiced double-column mental bookkeeping is revealed, for example, in an interview with Minister of Defense Otto Roesch on the topic of the armor for Chile. The "confessed socialist" (Roesch about Roesch) was apparently unable to empathize with the controversy. It was really quite simple, he said calmly, as minister of defense he had only to examine whether, Heaven forbid, the material could ever be used against Austria.

The last voluntary resignation of an Austrian minister was in 1969. Since then ministerial responsibility is an empty word that can be juggled impressively as long as nothing serious is involved. If something serious is involved, no one takes the consequences. The socialist political scientist Norbert Leber was justified in speaking of a "crisis of the entire system," based on the permeation of the state by the major parties and of their well-rehearsed apparatuses."

Too often it has been the experience of the average citizen that leading politicians deny in emphatic outrage what can be proven against them 2 days later. Journalists following up a lead are, in their eyes, notorious libellers, psychopaths with identity neuroses or head hunters.

It is, therefore, understandable if politicians have ruined themselves in public opinion. The most recent opinion poll among Austria's 14- to 24-year olds produced a positively shocking result. No less than 74 percent of young people believe that politicians lie; 58 percent think that attempts to clear up political scandals will be unsuccessful.

It is also understandable if the subject adapts his behavior to the customs of authority. The originally jocular statement that the Balkans begin in Vienna has a credible ring in 1980. Today Austria is divided into givers and takers, who change their roles as necessary. Companies bribe officials daily--they have no other choice, since 80 percent of the orders for the construction industry and about 50 percent of those for the electric power industry come from the public works sector. Even the private citizen knows the illegal price. He is well aware that he will wait in vain for a 100,000-schilling subsidy for home improvement, if he forgets to leave an envelope with 2,000 schillings with the right man.

9561

CSO: 3103

STEEL INDUSTRY FACES FINANCIAL DISASTER

Brussels LE SOIR in French 10 Sep 80 p 2

[Article by Guy Depas]

[Text] With wide-ranging differences depending on the companies, last year's gross financial result of operations of the Belgian steel industry represented 6 percent of the turnover as compared to only 2 percent in 1978. Clearly lower than that sector's future development rate, these results were nonetheless favorably influenced by an economic recovery which has slowed down since then. According to the specialists, the 1980 sale price collapse of steel products, combined with the deteriorating relationship between production rate and fixed operating costs, brought the gross loss of a finished ton to an average of 1,500 francs in the leading Walloon steel companies. In an entire year and taking into account an overall production of 9 million tons in the southern basins, some 13,500 millions would therefore be needed to offset the loss.

Even though this figure may have been summarily computed, it nevertheless shows the scope of the financial problem--outside of any effort to reequip the Belgian industry--suggested by the future survival of more fragile companies--at that level, it involves a 5-year plan amounting to 40 billions.

The issue--how could it be otherwise?--will undoubtedly be discussed next Monday, during the meeting of the general assembly of the National Committee for Planning and Control of the Steel Industry, a "par trader," which must oversee all Belgian steel policy since public authorities became its leading partner.

Even before this meeting, the issue was already at the center of the difficult negotiations between the state, represented mainly by the minister of economic affairs, and the company managers.

Thirteen billions five hundred millions in an entire year? Were that the only issue...

The Cockerill Example

We reported in previous issues of LE SOIR (see Saturday's) on the July memorandum submitted to the minister of economic affairs by Cockerill's so-called "private, non-speculative" shareholders (in fact, holdings) on the state of their company. This document shows that these partners demand that, in addition to 3 billions in fresh money for the capital of the company, their public "associate" contribute 1,200 million in contingency, or "stop-gap," credits to cover the shortage of funds disclosed at the end of 1979--let us recall it was a year of relative economic recovery--and 1,000 millions in the same type of credits to offset the consequences of the steel market's rapid depreciation in 1980. But they demand in addition: payment by the state of financial charges assignable to two-thirds of the long-term debt of the former Rehon (France) division, since then turned over to the Usinor group; the assemblage of conditions (in fact, state guarantees) needed to obtain from the French banks the postponement of the reimbursement dates of two-thirds of that long-term debt, should they fail to obtain the above-mentioned capital; an urgently needed 400 million contribution to allow continued operation of the Namur (France) plant; and financing of the "minor" 1979 and 1980 credits needed to continue programs of staff reduction and productivity increase, some of these programs having been stopped for lack of funds.

The private, non-speculative shareholders of the Liege "giant" further stated: "For the past year, the company's deteriorating financial situation--due notably to the excessive increase of the short-term debt and higher interest rates--has taken a deeply structural dimension. The company's credit, particularly with foreign banks and suppliers, appears threatened. In 1979, failure to make payments (editor's note: one of the factors of bankruptcy) was avoided only because, since 1975, bank credit ceilings have been raised from 5 to 14 billions and, in 1980, due to a grant of two high-interest contingency loans by the National Credit to Industry Company.

An Immediate Question of "Survival"

The minister of economic affairs blames much of this situation on Cockerill's management--did he not say that "The shortcomings of the company's financial management reach unbearable proportions?"--and, notably, on errors which, in his opinion, were committed during the formulation of its commercial strategy. Consequently, he adamantly refuses to substitute the state for the financial agreements signed by its private associates and he intends limiting his intervention to the terms of the previously concluded agreements.

This, however, changes nothing to the situation.

Despite public finances' assumption of responsibility for the cost of the steel industry's long-term borrowings, and despite the lack of amortization, it is no longer the problem of financing the Walloon steel industry's re-structuralization and reequipping which, alone, is at stake, but, in the near future, its survival.

This problem is all the more acute as it occurs within a difficult two-prong context: the state's budget deficit increased by a liquidity squeeze which, although less severe than a few months ago, still remains serious; the reticence of private financial concerns--for social reasons or even for general economic preoccupations--to commit themselves further to the extent that, among other factors, the sector's credibility for once again turning a profit has been eroded.

Willy Claes Disenchanted

So much so that one finally wonders: since the sector first became mixed, did not the root of the problem--illustrated by what we recently described as being an increasingly intolerable "Indian wrestling" match between state and steel holdings--rest in the private interests' desire (skillfully disguised until now) to vacate an industry whose potential rationalization and, therefore, return to profit-making, is largely mortgaged by the social imperative of its some 45,000 employees?

If--God forbid-- such is the case, Minister of Foreign Affairs Willy Claes' di gnostic should receive particular attention. He is said to have remarked, not without disenchantment, that "The use of the state presence in the steel industry often seems inopportune and its usefulness centered mainly on the use of public funds to offset managerial weaknesses without necessarily pursuing an objective of future development.

6857

CSO: 1294

GOVERNMENT, UNIONS, MANAGEMENT FACE STEEL INDUSTRY PROBLEMS

Brussels LE SOIR in French 11 Sep 80 p 1

[Article by Olivier Collot]

[Text] Where is the Walloon steel industry, that of Charleroi in particular, going? Over the past few weeks the question has been asked with growing sharpness in the Black Country, the powerless population taking notes of increasingly alarming news and contradictory statements. Well-founded news? Trial balloon? Skillfull maneuvers to influence the course of events? No one knows for sure, but everyone perceives a concealed danger threatening one of the last stronghold of regional economy.

Discretion prevails on the management's side. Restructuralization continues against all odds, even if, in the end, the social price is high. To be sure, had it not been undertaken a few years back, the Charleroi steel industry would probably have been scratched from the country's industrial map.

On the other hand, the announced and promised reconversion remains a dead issue. It is one of labor's main grievances against management. We will have occasion to return to the subject.

Unions Differ

As for the unions, they differ in their opinion. For example, CSC [Confederation of Christian Trade Unions] feels that the steel industry's bosses have sufficiently proved their incompetence at overcoming problems and it suggests they leave without compensation. It is, therefore, advocating a sort of nationalization of the industry and, at the same time, it stands for a single Walloon company which would not be limited to the sole basins of Liege and Charleroi. In any case, CSC demands a complete reexamination of the Claes Plan which, it claims, no longer represents the situation.

Yet, FGTB [General Federation of Labor of Belgium] feels differently. It believes that if, for 50 years, the bosses benefited from the liberalities

of the steel industry, it is fitting they shared the current difficulties and, above all, that they participate in the reconversion effort which must be undertaken. According to the socialist union, the financial groups are primarily responsible for the current situation for refusing to invest once more in the sector and for preferring to see the state, therefore, the community, assume maximum costs and risks. FGTB adds that these same financial groups must fully share in the basin's restructuralization and reconversion effort, inasmuch as, it continues, public authorities are not sufficiently prepared to manage the steel industry administratively, technically and financially.

Guilt: the State

Pursuing its reasoning, the union names a second guilty party, an accessory: the state itself which substantially increases company costs through imposed taxes. As an example, it notes that, even though a worker costs some 450 francs per hour to his employer, he usually receives a little less than 200 francs.

In conclusion, FGTB demands, for the near future, a meeting of representatives of the government, the Triangle and workers to define coherent attitudes.

Minister of Economic Affairs Willy Claes' answer to all this is that renegotiation of his plan drawn up in 1978 is out of the question. In his opinion, the restructuralization and financing plan formulated at that time remains quite valid and, if managers are concerned because of new data, it is up to them to present new proposals which would be studied by qualified organizations.

In no way is this view shared by Philippe Maystadt, deputy and former state secretary for the Walloon region, who passes for a lucid and well-informed politician in Charleroi.

In his opinion, the Claes Plan seems incomplete and unrealistic on both a technical and financial plane. He adds that it should be reviewed and completed.

Another point of view which cannot be ignored is that of Yves de Wasseige, a Walloon Rally (RW) senator who undoubtedly is aware of the situation since he held several high offices in Hainaut-Sambre prior to becoming Minister of Economic Affairs André Oleffe's chief of cabinet.

De Wasseige does not mince words when he accuses the private sector of having committed basic managerial errors; of highly sharing responsibility for the noted decline; and of not keeping its promises.

The RW senator endorsed cohesion and coherence principles.

In short, if, on the whole, Charleroi steel management is blamed almost unanimously, as far as remedies are concerned, efforts toward that sector appear regrettably scattered.

Meanwhile, from drastic cuts to unkept promises, workers continue to pay the cost of the unavoidable but painful restructurization. Consequently, one large unknown remains: the extent of the sacrifice that, in the final analysis, they are willing to make to save or not to save the industry.

6857

CSO: 3100

BRIEFS

SNCI LOAN TO COCKERILL--Last July, the Cockerill Company anticipating a shortage of funds for September and October requested a 1.2 billion franc contingency loan from private banks. In accordance with agreements signed by the public authorities, this loan was to benefit from state guarantees. However, the private banks proposed a short-term loan with fluctuating rates, i.e., particularly difficult terms. Under these circumstances, the department of economic affairs turned to SNCI [expansion unknown] and asked it to make an additional effort. It has just been learned that, Tuesday afternoon, SNCI board of directors ruled favorably on the case. It decided to grant a 1.2 billion loan to Cockerill. This loan is granted for 13 years, with 3 free years and a long-term rate revisable every 3 years. [Text] (Brussels LE SOIR in French 11 Sep 80 p 1) 6857

CSO: 3100

VOTER REGISTRATION BECOMES OBLIGATORY

Nicosia 1 MAKHI in Greek 4 Sep 80 p 3

[Text] In his interview with the RIK [Cyprus Broadcasting Corporation] in connection with being listed in the register of voters, the administrative functionary of the Ministry of the Interior, A. Mandovanis, said that according to the existing laws, being listed in this register is obligatory for all citizens of the Republic who will have reached their 21st birthday by 1 January 1981 and who will have had their normal residence in Cyprus for 6 months immediately prior to 1 January 1981.

That is, there are three prerequisites for entry in the register:

1) The person should be a citizen of the Republic. 2) He should have reached his 21st birthday by 1 January 1981, and 3) He should have had his regular residence in Cyprus for 6 months prior to this date.

As for those who will reach their 21st birthday after 1 January 1981, according to the law these people are obligated to submit an application, within 30 days from the date when they reach their 21st birthday, to the appropriate governor for the purpose of being listed in the register. All those already listed in the register have the same obligation if they have a change of address or if for any reason they change their name. For example, women who get married are obligated, when they change their name, to submit an application within 30 days to the appropriate governor, so that he can make the necessary changes.

At this point, Mandovanis added that supplements will be made to the register of voters every 3 months after 1 January 1981, on the basis of the applications which will be submitted to the governors.

In order to be entered in the register, prospective voters are obligated to first fill out the requisite form (Form 1), which can be procured in the cities from the governors' offices and in the suburbs or villages from the offices of the parish-council heads. After they have completed this form, the prospective voters must present it to the head of their parish or village, along with two photographs, their identity papers, and their marching orders if they have served in the National Guard. The parish-council head will certify the application form and the photographs of the applicant, as well as the other particulars of the form, and the

same person will take charge of delivering the form to the appropriate governor. If they wish, the applicants have the right to themselves pick up the form and deliver it to the appropriate governor.

These certifications can be made only by the head of the parish or the village where the applicant resides, and by nobody else. Thus, all prospective voters are urged to go at the earliest possible moment to the head of their parish and hand over the form so that the parish-council head can make the relevant certification.

Concerning Cypriot students and workers who are residing abroad for purposes of temporary employment, Mandovanis said that according to the law on voter registration and the register of voters, both students and other Cypriots residing temporarily abroad for purposes of working are considered to have their normal residence in Cyprus, and consequently they can be listed in the register of voters, assuming that they have their family home in Cyprus--that is, they have not left the island permanently. It is not necessary that they themselves come to Cyprus. An application can be submitted to the head of the parish by any person in case of such students and workers, and it is up to the parish head to certify, if he can, the particulars of the form. If he is not able to confirm these particulars, it is likely that he will not make the required certification.

In answer to a question about whether students and workers who reside abroad can vote in the countries where they are located, Mandovanis said that being listed in the register of voters and possessing a voter's card gives such a registered voter the right to vote in any election, with the necessary proviso that he has to be in Cyprus on the day the specific election is held. Consequently, no one is permitted to vote abroad for an election which is conducted in Cyprus.

After this, Mandovanis said that following the completion of the voter lists by the governors, the register will be forwarded to the Central Service for Elections, which is located in the offices of the Ministry of the Interior, and that this service will take charge of furnishing the relevant card to every voter who is listed in the register of voters. This card will be for permanent use and will be valid for all the elections. There will be a voter identity room which will contain all the particulars on the voter--that is, his photograph, his signature, and so forth. Without this card, nobody will be allowed to vote. At each election, the voter will be required to present this card before being permitted to vote. It should be mentioned that this card is an important document, like a passport or any other significant document, and every voter should take good care of it. In case it is lost, an application should be submitted to the governor so that he can issue a new card. A new card will be issued if it is proven that the old card was really lost, and with the payment of the sum of 1 Cyprus pound.

Finally, Mandovanis stated that 30 September 1980 has been designated as the last day for submission of applications for listing in the register. Those who have a right to be listed in the register of voters and who do not submit their application in time are guilty of a criminal offense. In case they are convicted, they are liable to imprisonment for up to 6 months or to the payment of a fine of up to 200 pounds, or to both.

On this occasion, the Ministry of the Interior is appealing to all concerned parties to take care to promptly obtain the application form, to fill it out, and to submit it by 30 September, so that they may be of help in the overall work of drawing up the voters' register and so that they themselves may avoid hardships from any failure on their part to act in accordance with the law.

17114

CSO: 4908

REFUGEE SETTLEMENTS NEARING COMPLETION

Nicosia O AGON in Greek 3 Sep 80 p 3

[Text] Larnaca--Three new refugee settlements are in their final stage of construction in the city of Larnaca and at Kofinou, while three other settlements will be built in the immediate future near Larnaca and at Sotira in the district of Famagusta. These six settlements are being built under the direct supervision of the Department of Town Planning and Housing. The construction work has been undertaken by private contracting companies. The three settlements whose construction will be completed soon are located in Kofinou, at Kamares, and at Agioi Anargyroi, near Larnaca.

The Kofinou settlement will house about 1,000 displaced persons, and already a number of its residential complexes have been finished, while the remaining complexes are at an advanced stage of construction. In all, 173 residences will be built. In detail, there will be: 26 single-story one-bedroom residences, 34 single-story two-bedroom residences, 71 two-story two-bedroom dwellings, 13 single-story three-bedroom residences, and 29 two-story three-bedroom dwellings. Lawns and parking areas will be created, and in the future a shopping center will be built. Four contracting companies are working on the construction of this settlement, and according to their contracts all the residences of the Kofinou settlement will be handed over within the next 6 months.

The "Kamares B" settlement is being built next to the Larnaca-Kofinou road, and by this February some 251 residences ought to be completed, which will house about 1,500 displaced persons. This settlement is made up of seven complexes which are being built by six contracting companies, and all of them are in their final stage or an advanced stage of construction. The 15 apartment buildings which will be built at this settlement will include 60 apartments of two bedrooms and 30 apartments of three bedrooms. In the two-story residence complexes, 47 units will have two bedrooms and 31 units will have three bedrooms. Of the one-story residences, 17 will have three bedrooms, 29 will have two bedrooms, and 37 residences will have one bedroom. The Kamares B settlement will include six greenery areas, parking areas, and a central sewer system. It is

located near the new Larnaca Stadium, and in the future a shopping center will also be built here.

Agiol Anargyroi

The "Agiol Anargyroi 2" settlement is being built by a contracting company which is using the system of prefabricated-wall construction. Its first residential complexes have been finished in record time. Some 60 percent of the work on the construction of the 415 units in this settlement has been completed, and 10 days from now the handing over of the first homes to displaced persons will begin. In the 33 apartment buildings of the settlements, 198 apartments will be created, of which 132 will be two-bedroom apartments and the other 66 will be of three bedrooms. The remaining complexes will include single-story and two-story residences. Some 22 single-story residences will have one bedroom, 49 others will have three bedrooms, 46 two-story residences will have three bedrooms, and 100 others will have two bedrooms.

The three other settlements which will be built in the immediate future, on which the contracts have already been awarded to contracting companies, are those of Agios Ioannis, close to Str. Timagia Avenue, the construction on which is beginning today, Wednesday; the "Zinon" settlement near the new Larnaca Stadium; and a small settlement for elderly persons near Sotira in the district of Famagusta.

The Agios Ioannis settlement, whose foundations have been completed, will include 14 apartment buildings with 56 two-bedroom apartments and 42 apartments of three bedrooms. Its 17 single-story residences will have three bedrooms, 23 two-story residences will have three bedrooms, and 23 two-story residences will have two bedrooms. This settlement will include a shopping center, lawns, and parking areas.

Construction will begin on the "Zinon" settlement 1 month from now, and the contracts for the construction of its 297 residential units have been awarded to contractors. The settlement for elderly persons in Sotira is in partial fulfillment of the promise which President of the Republic Kyprianou made last year on constructing 300 residential units for elderly persons in the districts of Larnaca and Famagusta. In Sotira, 12 one-bedroom units will be built, and their construction will begin in 1 month. The remaining units for elderly persons will be built within the city limits of Larnaca and next to the other settlements. The commencement of construction of 200 such units is expected in the next 3 to 4 months. Their construction plans are already finished, and the project is now at the bidding stage.

12114

CSO: 4908

TURKISH STUDENT ORGANIZATION SUPPORTS ISLAND'S INDEPENDENCE

Nicosia KHARAVGI in Greek 3 Aug 80 p 1

[Text] The progressive and democratic student movement in Turkey will continue to offer support of every sort to the just struggle of the Cypriot people, youth, and students for a better education and for a peaceful and happy future for Cyprus. Moreover, it also supports all efforts which aim at a peaceful and just solution to the Cyprus problem, arrived at within the framework of the United Nations and by way of the inner-Cypriot talks.

This is stressed in a cordial message of solidarity by the Progressive Youth Association (IGD) of Turkey to the congress of the POFNE [Pan-Cyprian Federation of Students and Young Professionals], which was made public yesterday.

The complete text of this message, which was late in reaching the congress, is as follows:

"Dear friends,

"On behalf of the thousands of progressive and democratic students of Turkey, the Central Committee of the Progressive Youth Association (IGD) salutes the Seventh Congress of the Pan-Cyprian Federation of Students and Young Professionals (POFNE) with the most cordial feelings of solidarity, and we wish you every success in your proceedings and in your coming struggles. On this important occasion, we would like to assure you that the progressive and democratic student movement in Turkey, inspired by the imperishable principles of international anti-imperialist solidarity, will continue to give support in every way to the just struggle of the Cypriot people, youth, and students for a better education and for a peaceful and happy future for your homeland.

"Following the conspiracy by NATO and the CIA on 15-20 July 1974, the struggle for the unity, territorial integrity, complete demilitarization, sovereignty, independence, and non-aligned status of Cyprus has become a burning issue with respect to securing the peace and safeguarding the anti-imperialist interests of the peoples in the area of the Persian Gulf,

the Middle East, and the eastern Mediterranean, and in general throughout the world. The IGD and Turkey's progressive democratic student movement has great respect for this struggle and supports all those efforts which aim at a peaceful and just solution to the Cyprus problem within the framework of the United Nations and by way of the inner-communal talks. We condemn the intrigues of NATO and the local reactionary class, which are trying to lead the problem into an impasse, in the service of their own interests and contrary to the will and the interests of all the Cypriot people, including the Greek Cypriots and the Turkish Cypriots.

"Today, the peoples, the youth, and the students are intensifying their struggle against the undemocratic conspiracies of American imperialism, of the leading circles of NATO, and of the local reactionary element. The tortures which have been instituted, the mass deportations, the martial-law measures, the government's terroristic actions and bloody provocations, and murders and executions by the para-military gangs of the fascist movement are growing in intensity within the framework of plans for setting up of an obscene semimilitary regime in our homeland. The progressive and democratic student movement and its militant vanguard, the IGD, are active partners in the increased unity of action on the part of the progressive forces working for democracy. The international solidarity of the democratic forces throughout the world, inclusive of the students and their organizations, is making a priceless contribution to our present struggle.

"Our organization attaches great importance to the development of cooperation and solidarity with the POPME. Under the banner of the International Union of Students (IUS), these friendly relations are helping to strengthen the unity of the international student movement and are also establishing a solid basis for the development of a spirit of peace, friendship, and anti-imperialist solidarity among the students of our two neighboring countries. We want to express once more our steadfast decision to continue our efforts to transform the eastern Mediterranean into a region without NATO, without wars and hatreds, into an area of lasting peace and friendship.

"Long live peace, friendship, and anti-imperialist solidarity.

"Long live the friendship between the POPME and the IGD.

"Long live the International Union of Students.

"The Central Committee of the IGD.

"Istanbul

"1 August 1980."

ARMS NEEDS, DEVELOPMENTS FOR 1990's FORESEEN

Frankfurt/Main SOLDAT UND TECHNIK in German Aug 80 pp 415-419

[Slightly condensed speech given before the German Society for Defense Technology at its most recent meeting in Bonn-Bad Godesberg by Hans Eberhard, graduate engineer, ministerial director and head, Arms Department, Ministry of Defense: "Arms Conception for the 1990's--Threat is Still Basis of All Decisions"]

[Text] I will hardly be able to do full justice to the ambitious topic of presenting an arms conception for the 1990's. But I shall try to derive basic values, operational ideas which I am convinced will have a very substantial influence on the conception. Much of what I will say has already been said elsewhere by others. I also do not feel constrained to necessarily say something new. But perhaps I nonetheless do view as new the germinal idea of including, in a more broadly construed sense that at present, the assessment of the environment in which we live, when setting down guidelines for the future work of the Arms Department. Establishing operational ideas for an arms conception means assigning objectives which have to do with the technology and economics of arms to security policy considerations.

For some time now we have had some difficulty in properly classifying the concept of "arms," or even in bringing together, in our own sector, just the activities related to defense technology and economics. Meanwhile, intensive cooperation with the Ministry of Economics and the Foreign Ministry is our ordinary daily routine. Our efforts in respect to Turkey, and not only Turkey, the linking of economic support and military arms assistance illustrate this just as clearly as do the difficulties which we are having in establishing an export regulation for defense material which is suited to our political situation.

The notion of an arms conception will have to be much more broadly construed in the future than we have done thus far. As is the case at present, assessing the threat from a purely military and technical point of view will naturally play a decisive role. But the angle of vision has grown larger.

Stockpiling rare raw materials, which was ordered by the Federal government, must likewise be part of our considerations, along with the search for replacement materials which we must initiate.

Our ideas, which thus far have had a predominantly military-technical orientation, must be reordered if we are looking for new paths to the future. This will not be easy a decade in advance. There may also be doubts as to whether this is even possible. My mosaiclike view of individual new components may even strengthen such doubts. But on the basis of the extensive experiences of almost 25 years of the subsequent assessment of successes and failures, of errors and omissions, I am convinced that it is necessary and even possible today to make, to some extent, reliable statements which permit developing a conception for the 1990's.

Moreover, we have no other alternative at all than to try this. Both NATO's long-term defense program and the developing conceptions of local armed forces now require decisive, political guaranteed settings of the switches for the 1990's. We need think only of the combat tank and the tactical combat aircraft or of the American-European concept of the weapons family.

Basis of Judgment: The Threat

There can surely be no objection when I say that, now as before, on the one hand, the military requirements and, on the other hand, the financial means available for arms purposes are decisive.

What additional requirements or marginal conditions may also be in store for us, the situation is unchanged for every priority decision in that it must be measured against the risk to be incurred in respect to the threat. I must strongly stress this observation as the basis of future decisions, too, because we must increasingly come to terms with priorities which will be coming our way because of reasons of cost, as well as because of pressures relating to internal or labor policy.

So that we will not misunderstand one another, I am by no means rejecting these demands, for only a healthy economy can guarantee an appropriate defense contribution, but the risk must nonetheless be first measured against the threat. And, of course, there can be military evaluation criteria which must displace other national interests.

This does not mean renouncing the maintenance of an efficient domestic arms capacity and not even restricting, on the basis of economic points of view, the place of procurement orders. But in the 1990's, competitive order placing will, as a rule, continue unchanged.

Suitable cooperation by industry in the development of defense material from the outset is furthermore an indispensable component of any conception.

Arms Cooperation

If there is no change in the fact that it is our job to make deterrence appear plausible as the fundamental defense goal of the alliance, then the result of the judgment of the situation will be not only the increasing danger of the further shift in the power relationship in a manner unfavorable to the West. The possible overtaxing of the technological and financial efficiency of the individual countries is looming on the horizon and thus the result is the concern that the overall capabilities of the West will be fragmented.

It is a logical consequence of NATO's security policy that an increasingly more important role is to be given to arms cooperation. Indeed, from the experience of the past few years, I will go so far as to say that arms cooperation is one of the essential elements in the alliance's capability to survive. This conviction, which for me is quite decisive, compels us today not only into additional use, but also intensified use of all the alliance's resources in order to give the armed forces a lead in the 1990's with arms appropriate to our technical capabilities.

I know that this design will not be unanimously accepted, for after all it does mean an unusual burden for industry and officialdom. National projects can be implemented more simply. Cooperative projects require constant adjustment, cost more time, and in the beginning more money, and, above all else, more personnel.

Compromises must be sought and found. But nonetheless, wherever it is in any way defensible, these difficulties must yield to considerations relating to the policy of the alliance and security. Beyond that, arming partners with equipment, developed according to joint NATO requirements, even if this does not completely satisfy national conceptions, is a better basis for cooperation between armed forces than separate developments which perhaps better satisfy national conceptions.

I hold no brief for unchecked standardization, in whatever guise it is addressed. But in principle, with cooperation in arms we must achieve the following as the primary objective:

- politically: maintain and improve the cohesion of the alliance;
- militarily: strengthen the conventional combat strength of the armed forces in order to guarantee an adequate military balance to the Warsaw Pact;
- economically: use the limited financial means more cost-effectively; and
- technically: use the existing capabilities in the alliance.

The past has taught us that these goals can be achieved in an alliance of sovereign states, such as that represented by NATO, only gradually, and, at that, in mostly small, though steady steps.

A while ago, I stated that national interests in cooperation can definitely conflict with the interests of the alliance. All defense-policy efforts by the partners toward standardization in its various gradations are subject to the danger of being tied up with well-founded national economic interests. These range from desire to the mere acquisition of know-how, to guaranteeing jobs and on to the diverse assessment of export capabilities.

Experience is the important thing in arms cooperation, and in the 1990's that will not even change the fact that every partner in cooperation expects advantages for itself. Advantages for a country, however, must not be sought through division of labor which has no backing in a joint political objective. Decisions of this kind can result in unilateral political surrender.

In order to avoid difficulties in this, the goal of arms cooperation must be to establish harmony, to the extent conceivably possible, between national conceptions and the higher goals of the alliance; for only when this is achieved in cooperation, thus also standardization, meaningful. Choosing not to see this would be foolish and unrealistic.

If we look back at the past few years of arms cooperation, we must admit that, as a rule, it was more a matter of cooperation in individual projects than of planned cooperation. What the partners were planning was seen and heard, common purpose and replacement dates were discovered. When, given these conditions, the result was joint developments, these were logically bilateral or trilateral projects and--that is a substantial limitation--mostly only European projects.

As far as the United States is concerned, cooperation from the German point of view as a rule referred only to purchasing or perhaps to licensed manufacture of systems developed there. Our interpretation, derived from that, that joint developments across the Atlantic are for the present probably unrealistic, now requires review when we speak of intentions for the 1990's.

I have already stated that the pressures on an alliance of sovereign states, that the national interests and the relationship of governments to their parliaments restrict the latitude for action in arms cooperation and permit only gradual progress. The steps which have now been introduced--removal of national regulations which obstruct cooperation, increased licensed production of systems, developed with the partner, for our own requirements and division of labor in the sector of weapons families--must all be continually developed as a solid basis for cooperation in the 1990's. For the present, these measures avoid joint developments of complex weapons systems across the Atlantic, but do permit and promote cooperation in the matter of components and thus also the transmission of technical knowledge

which is so important for an alliance. I do not believe that in the case of weapons systems which will be introduced in the 1990's the time is ripe today for them to be developed jointly by American and European companies as a system. But I do believe that by that time there will be the beginnings of such joint undertakings, but that they will only have an effect on the generations of post-1990's systems. I am warning against overtaxing measures which have been introduced.

The way to bring together the various capacities of the alliance in respect to technology, economics and finances, is just now being sought with the steps suggested. In order to be recognized as a partner in cooperation, one must reveal one's own accomplishments on the one hand. On the other hand, however, it is the special characteristic of a defense alliance that the political importance of a partner must not be identical with his technological and economic capacity. If it is politically necessary, the internal security of economically weak partners can be strengthened by involvement in arms orders. Thus, demands for compensation by these partners can be considered an expression of alliance solidarity. Equalizing these apparently opposing interests in a satisfactory manner, in addition to the natural difficulties of arms cooperation within Europe and also with America, is a task of the arms conception for the 1990's which must be taken very seriously. This is a task to which our country as part of the alliance must give special attention.

Military Demand For Arms Conception

I have already pointed out that it is necessary:

--in an unchanged manner to make deterrence credible as the fundamental goal of defense, and

--now, in respect to conventional weapons, too, to guarantee equivalency of the military strength of the alliance as regards the potential opponent.

This means that in the future it will be necessary to have available armed forces of adequate strength with qualitatively and quantitatively balanced arms.

Qualitatively and quantitatively balanced sounds good. But what does that mean for the 1990's? To date the West has accepted the fact that the superiority of conventional forces lies with the opponent. For a long time, it thought quite clearly that it was in a position to be able to show advantages in arms by virtue of strategic weapons and in sectors of high-value technology, advantages which could balance out the conventional inferiority. We all know that this assessment in this form is no longer tenable.

Two sectors with temporary advantages for the West are addressed: the strategic sector from the point of view of use, and technology from the point of view of application.

The SALT agreements seek balance in nuclear arms. Surely it can be said that a balance in the nuclear destruction capability can hinder wars, but it cannot be said that wars or warlike conflicts can thus be eliminated.

Accordingly, only the application of superior technology would remain for us as the balance to the calculable superiority of the Warsaw Pact in a war waged with conventional means. Establishing numerical equality should probably not be discussed seriously.

Does this mean that in the arms conception for the 1990's, for arming with conventional weapons, we still have no other alternative than balancing quantity with quality? Are we not reaching certain limits here? In a number of technological areas the Soviet Union has essentially caught up. In the firepower of its weapons systems it has drawn even. It is putting forth every effort to achieve our level of technology in accuracy of fire. Their quality has also grown with the steadily increasing number of their ballistic rockets and aircraft.

And yet, in the first place I will put my bet on the advantages in technology, on the head start primarily in selected sectors of technology if we succeed in bringing together the capabilities of Western industry and setting the correct priorities. I do not want to completely exclude discussions about quantitative changes, but for the present it is a matter of using all forces which the alliance has wherever the greatest effectiveness can be expected. The most suitable technology which can be achieved in any given instance must be used for maintaining the balance in the 1990's.

Utilizing the best technology in each case sounds so general. But, after all, that has always been the task of arms. But I would like to have people understand more by this than has been the case, namely, setting priorities where particular effectiveness can be achieved for clearly outlined tasks.

Thus, I must demand a long-term fundamental kind of determination, coordinated in the alliance, by the allocation recipient in order then to be able to make purposeful use, with the help of arms cooperation, of the technical capabilities.

To say it quite clearly one more time: today, all areas must be laid out for the arms conception and include all the marginal conditions of security policy; these are all areas in which a technical head start can be transformed into military performance for the 1990's.

Priorities

It is NATO's task to make deterrence credible, if necessary to defend the living space of the alliance. I am not sure whether I can say with equal matter-of-factness that this "defense" priority was always in first place in the technical design of weapons system. This is worth pondering.

A defender certainly has the disadvantage in that he can only react to measures taken by the opponent. On the other hand, in the choice and design of his weapons he also has the advantage. He can optimize them for defense tasks. This shows a way to equalize quantitative inferiority. We must look for conventional equality wherever our technical capabilities in defense provide us with an especially favorable effective ratio of "weapons unit per target."

The target determines the weapons and the weapons then--and only then--the carriers. In logical pursuit of the requisite effective use of weapons, the association of "target-weapon-carrier" must especially be investigated in areas where new technologies give promise of particularly effective solutions. Effective, that can mean both a technically simple solution as well as a solution with high technical demands. Particularly under the point of view of defense, we will have to devote our special attention to simple solutions.

Defense-Technical Perspectives

The considerations of priorities which I am demanding, however, do not have any real background, even for the allocation recipient, if there are no technological perspectives at hand, no perspectives in sectors in which we--the West--can demonstrate advantages. I think in this we must first address increasing accuracy of fire. It is difficult to make qualitative statements.

But if the studies from the strategic weapons sector can be applied to the conventional sector, then we can figure on a head start of 5-10 years. In addition to precision navigation, which is independent of weather and range--just think of the different systems of the cruise missiles--final stage guidance by sensors which react to the various kinds of targets in varying surroundings must be fully incorporated.

I am contemplating advantages even in target identification, as for example with the help of image-producing infrared.

Modern sensors are getting an ideal supplement--and in this we surely have the modern technology available--from the microprocessors, including rapidly accessible mass memories. They make sensor combinations possible and bring a large amount of intelligence to the process of protecting against tactical and technical disruptions.

We should also figure on a head start in troubleproof data transmission in real time.

And in order to address yet another sector which is closely related to accuracy of fire, modern sensors and influencing trajectory, we will surely have to give special consideration to the development of submunition.

In new technologies, advantages are expected not only in the performance head start, but also in construction volume and importance. The technical outlay--and that is a decisive determination--and the costs must be handled in such a way that mass use is also made possible. I made reference to this with my comment that, in addition to solutions with high technical requirements, simple technical solutions also be accorded special effectiveness.

In order to round out my thoughts concerning an arms conception for the 1990's, I must not conceal the fact that there is one area which makes special measures necessary, including financial ones: the full and timely supply of newly introduced weapons systems with appropriate ammunition. In this we will have to think of something without my being able to suggest a possible solution.

Key Points

I was unable to present you with a complete arms conception for the 1990's. Nonetheless, I tried to point out weighty areas which will substantially influence our conception. The following key areas will be decisive:

--Aspects concerning arms-, economic- and safety-policy must be included in the arms conception;

--arms cooperation must be expanded for political, military, technical and economic reasons;

--militarily, priority must be accorded to increasing performance in defense;

--in terms of defense technology, the capabilities must be concentrated in sectors where a favorable performance situation can be expected;

--in terms of defense economics, an efficient domestic industry must be maintained. Special consideration must be given to providing raw materials and to the search for replacement materials.

12124

CSO: 3103

DISSIDENT PASOK PARTY OFFICIALS EXPELLED

Athens I KATHIMERINI in Greek 2 Sep 80 p 1

[Text] A. Papandreou finds himself caught in cross-fire, from the right wing of the New Democracy party and from the left wing of his own party, both because of the "confused" positions which he expressed some time ago and because of his recent political initiatives. On the occasion of the recent meeting of the socialist leaders of southern Europe in Kerkyra, the left wing of PASOK (Panhellenic Socialist Movement) accused Papandreou of betraying the ideological identity of the party.

These criticisms have developed into violent incidents in Salonica, resulting in injuries, expulsions, and resignations of PASOK officers. At the same time, Minister of National Defense Evangelos Averof, in an article which was published the day before yesterday in the AKROPOLIS, directly charged A. Papandreou with organizing "covert action groups" for the purpose of using them at the suitable moment to impose a totalitarian and single-party rule.

The Incidents

The violent incidents from the left wing in Salonica broke out on Friday evening, with the occupation of the offices of PASOK's Nomarchy Committee by dozens of dissidents, including some 50 officers of the party who were expelled from the party by a decision of the Disciplinary Council.

Those expelled include El. Tziolas, a member of the Central Committee of PASOK, a Salonica municipal council member, and the former president of the FEAPTh (University of Salonica Student Union) (the student organization), 12 young people, and the other party officers involved.

The decision on the expulsions was relayed on Friday to Salonica by Mr Manikas, chairman of the PASOK youth group, but those expelled did not accept it, and along with their friends they occupied PASOK's central offices in the city.

The party faithful tried to repulse them, and violent incidents followed, resulting in the wounding of G. Lianis, a PASOK officer and professor at the Polytechnic School, and the Nomarchy Committee members Vogiatzis and Angelopoulos. The latter was taken to a clinic to have his wounds bandaged.

Those expelled and their friends shouted slogans directed against Papandreou personally, because of his participation in the summit meeting of socialist leaders at Kerkyra, invoking at the same time the names of Gennimatas and Tsokhatzopoulos, two members of the party's Executive Office.

According to journalists' reports, the expelled persons maintain that they have direct and close contacts with these two members of the Executive Office, who believe that they are the ones who express the "correct" policy of the party.

Nomarchy Committee Resigns

In any case, following these serious incidents the Nomarchy Committee of the Salonica PASOK resigned out of embarrassment, since it had not been able to prevent the incidents, but it was not known whether its resignation was accepted by Papandreou.

But yesterday evening the persons expelled, along with their friends, went again to the offices of the Nomarchy Committee, saying that Gennimatas and Tsokhatzopoulos are taking steps to reverse the decision of the Disciplinary Council.

As was learned, the referral of the case of the 50 officers to the Disciplinary Council was not acted upon for some time, but now the decision has been announced. Another report--which, however, has not been confirmed--is that Gennimatas and Tsokhatzopoulos went to Salonica 3 days ago and had contacts with the expelled persons, without appearing at the Nomarchy Committee of the party.

Those expelled also claim that they have considerable influence in the nomarchy committees of northern Greece, and that they will cause disruptions if the decision of the Disciplinary Council is not revoked and if Papandreou does not change his policy. In connection with this, yesterday expelled members and their friends occupied the local offices in Neapolis, Salonica, making use of the same slogans and charging Papandreou with betraying the principles of the party.

12.14

CSO: 4908

CORFU EURO-SOCIALIST CONFERENCE ANALYZED

Athens ANDI in Greek 29 Aug 80 pp 10, 11

[Article by Khristos Kyriazis]

[Text] European socialism either will be diversified and--perhaps--polycentric, or it will be entrenched within the confines of its historic organizations, with adverse consequences for its political effectiveness and its dynamism: This could serve as a principal conclusion as well as, perhaps, a point of departure for interpreting the political problems and positions which came to light from the 2-day talks at Kerkyra among the leaders of the socialist parties of southern Europe.

On the other hand, the dynamics of the political situation in Greece, which are bringing PASOK [Panhellenic Socialist Movement] face-to-face with the possibility of assuming the responsibilities of government within 1981, can be expected to be mirrored in all aspects of its policy, including its relations in the sector of international politics. Consequently, the criteria for political trustworthiness applied by this new socialist organization have altered within the last 6 years, and this has brought readjustments in its strategic and ideological identity: It is a common observation that the broadening of PASOK's voter image is leading to a search for new equilibria in the sectors of major political importance and is requiring certain maneuverings in order to reach a balance between ideology and the concrete strategy of the situation.

When we place the Kerkyra meeting within this frame of reference, then we see that the initiative of A. Papandreou means on the one hand a juncture in the relations of the "movement" with the mechanisms of European socialism--and with Europe more generally--but at the same time it constitutes also a new factor in the formation of relations of a different kind within the circle of the West-European socialists: The "distinctive," "strange," "fortuitous"--in 1974--"phenomenon of PASOK" is changing into a serious political factor in and an organic constituent of the European reality. This finding was expressed with clarity both by Gonzales and by Soares, when they took for granted the electoral triumph of PASOK in the coming elections.

But the path to the "recognition" of PASOK is not a one-way street: The populist interpretation by the "movement" of independence and foreign policy necessarily entailed a criticism of European social democracy and, more broadly, a perception about Europe which was reminiscent of lines of argument used by outspokenly dogmatic communists--who themselves have every reason to adopt such a position, for example, on "America's conversion of Europe into a satellite." The polycentrism practiced by PASOK in its foreign policy was defective in one of its chief premises, and the same thing was true also of its position concerning the geopolitical multiformity of Greece: The price paid for slighting the European uniqueness was a third-world syndrome which could not for very long constitute an axis of reference for the analyses, the political choices, and the establishment of equilibria among the ideological currents of the "movement."

But nevertheless, and this is something which was deliberately ignored by the political commentators on the other side, this orientation during the initial period of PASOK's political presence also had a result which, now, constitutes a negotiational "trump-card" vis-a-vis the Eurocentric socialists--whether those of the south, or, why not in the future, those of the north as well: The privileged relations of the "movement" with a number of parties and organizations in the Arab countries is an essential "bridge" for the expansion of the European socialist parties into this sector. In a broader sense, we can say that this expansion is an essential ingredient in an effective conducting of the North-South dialog, which has made little progress so far. In the communique of the conference of Kerkyra, this dialog is being mediated by the dialog between the European north and the European south.

Of course, it is too early for us to take for granted the establishing of a southern-European bloc of socialist forces. Indeed, the facts as they exist up to now do not speak in favor of the successful outcome of such an enterprise: The nations of southern Europe do not represent identical social configurations, while their differing political histories are bound to have an influence on any desire for joint action by the democratic and working-class forces. This is something which was confirmed indirectly, but with clarity, by Soares and Gonzales as well: The former stressed the ties among the socialist parties of north and south, while the latter rejected considering the deliberation or conference of Kerkyra as a step toward the creation of a "dividing line" between the socialists of the developed north and the "peripheral" south. In contrast, A. Papandreou "believes that the forces of the Left in southern Europe have a greater dynamism and greater prospects than their counterparts in the north."

It is, perhaps, a promising fact that by virtue of these differences, the "five" at Kerkyra stated in their joint communique their decision to again hold such meetings periodically so that there may be an "ongoing cooperation among the socialist parties of southern Europe." We will not prejudge likely results, but we already have come to some initial conclusions: A common fight against the Right and the extreme Right, with an initial (and very definitely a "minimum") objective being the coming elections in Portugal, Greece, and Spain.

Of course, the elections are simply an "admission card," according to A. Papandreou, with organizing in the "factory and in the field" being needed for them to be able to effect the radical surgery of the socialist transformation. However, we cannot dwell on this here: The final communique of the conference says nothing about a number of questions which the "five" discussed and which are organic constituents of the problematic of socialism: An allied trade-union movement, party-unionist relations, and so forth. Concerning these questions the conference was, it seems, "exploratory" and "informational," seeing that the known facts are the ideological dissimilarity of its leading players and the proposal of the "four" on not hastily proceeding to ideological reconciliations which would be harmful to their relations with the Second International.

Perhaps conditions were not "ripe" for mentioning such matters: PASOK is taking its first steps toward getting involved in the shaping of European socialism, and this fact exerts an influence on the other four conference participants, who are at the same time continuers of a long-standing historical relationship between their parties and the International. The following are favorable factors, perhaps, tending to a more effective and organic relationship between the "movement" and its southern-European fellow socialists:

The publicly proclaimed position of its leader on cooperation with the socialist group in the European Parliament, and

In association with this position, the recognition of a certain autonomous dynamic on the part of Europe with respect to the United States, as well as the statement by A. Papandreou that the participation of Greece in the EEC "is a reality."

There are many contingent matters which made the summit conference of Kerkyra resemble a briefing meeting. We did not think that it was simply such a meeting, since even this "briefing" is a preliminary stage in the creation of a framework for exerting political influence and for involvement in the developing interrelationships of forces, both in the Socialist International and in the European organizations.

On the other hand, we cannot agree with what is suggested to the contrary by the government's silence about the Kerkyra talks--that is, that the meeting functioned as a pre-election "tonic" for PASOK: Without disputing its importance as concerns the strengthening of its adherents' patriotism

toward the party, we cannot fail to appreciate the fact that at Kerkyra the seal was set on PASOK's European venture and its effort to round out its image in the sphere of foreign policy. At the same time, the four socialist leaders also did not neglect to stress indirectly or directly the political prestige of A. Papandreu, a matter which is essential in periods when readjustments in the political praxis of a party create certain centrifugal tendencies and require balancing maneuvers by charismatic personalities.

From this point of view, it is perhaps pointless to level criticism about any omissions in the final communique: Both the Cyprus problem and the problem of the Aegean are points of "friction" within the International, and both the party of Boulent Ecevit and the EDEK [United Democratic Union of the Center] of Vassos Lyssaridis would be caught in a trap, perhaps, if any definitive and binding stand were to be taken on these questions. But beyond this, the Kerkyra Conference was the commencement of a certain process, the inauguration of a dynamic, which either from the nature of things or by deliberate design leaves open a number of problems. Surely the resumption of similar meetings places on the covenants the requirement of coming to a more substantive juncture, characterized by more long-range and strategic developments. However fluid the situation is, the tendencies exist....

12114

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FOREIGN CURRENCY LEGISLATION PUBLISHED

Athens I KATHIMERINI in Greek 2 Sep 80 p 7

[Text] Minister of Coordination Giannis Moutos has signed the bill on a foreign-exchange market, which is urgently being pushed forward for passage in the Chamber of Deputies. With this bill, it is proposed to replace the system of fixing the parity of the drachma by the Bank of Greece with a system of interbank trading in foreign exchange--with the participation of the Bank of Greece--from which the parity of the drachma will follow as the result of the daily supply and demand of various currencies. The level of transactions at which the banks will be permitted to remain "overextended" will be restricted, because it will be controlled by the currency authorities through the fixing of an upper amount of over-buying and over-offering for each bank which participates in the system.

Furthermore, the Bank of Greece will have the right to purchase or offer foreign exchange, and thus to influence indirectly the fluctuations in the parity of the drachma.

The chief provisions of the bill, as they are explained in the introductory report, are as follows:

"Article 1

"Those banks which operate in Greece and which have a license to engage in foreign-exchange transactions will be permitted to buy and sell foreign currencies and foreign banknotes among themselves, with their customers, and with the Bank of Greece, at their own risk and responsibility, as long as the laws permit such buying and selling. That is, with this bill the foreign-exchange restrictions are not affected, but every such transaction which is permitted by the laws will be conducted by the commercial banks on their own account, and not on behalf of the Bank of Greece, as is the case today. Of course, the Bank of Greece is itself entitled to engage in the same operations on its own account. Furthermore, the same banks are permitted to convert foreign currencies into a different foreign currency, either abroad or domestically, for the purpose of altering their foreign-exchange position for each currency in accordance with the changes in quotations for such currencies in the foreign-exchange markets.

"With the above regulation, a so-called "foreign-exchange market" is created in our country. The terms of operation of this market will be determined by the Currency Committee, which has also the authority to take the necessary steps to protect the national currency.

"Article 2

"The quotation at which the transactions of Article 1 will be made is to be fixed. Thus we have three distinct cases:

"a. (Paragraph 1). Normally, such transactions will be made either at the quotation which emerges at the meeting of the banks on that day ('fixing') (see Article 4, Paragraph 2), or at that quotation which will be agreed upon freely between themselves by the transacting parties (bank-bank or bank-private person). In special cases, the Currency Committee can suspend this possibility, stipulating at the same time the terms of operation for the foreign-exchange market for the duration of the suspension.

"b. (Paragraph 2). As an exception to the above, the Bank of Greece is empowered to stipulate quotation limits within which the transacting parties will be obligated to operate when it is a question of foreign banknotes, regardless of amount, or small amounts of foreign exchange, which will also be determined by the Bank of Greece. For these cases, every bank is obligated to issue a list of quotations daily which it will put into effect, so that the public can be protected in conducting small-scale transactions.

"c. (Paragraph 3). Finally, for those foreign-exchange transactions which will be arranged between banks in the course of their meetings ('fixing'), the parity which will result from this meeting is binding ('clearing price'). That is, in this case the purchase quotation does not differ from the selling quotation, because the margin ('ecart') is not introduced.

"Article 3

"In order to avoid misunderstandings, now that the exclusive privilege of the Bank of Greece is abolished, it is expressly stipulated that our central bank will continue to be the State's representative, which will exercise superintendence over the handling of foreign exchange on the part of the commercial banks. For this reason, it is also entrusted with the task of fixing for each bank the amount of foreign exchange and foreign banknotes with which that bank will be permitted to stand debited (positively or negatively) from its daily transactions against the national foreign-exchange reserve. With the fixing of this amount, the excessive assumption of foreign-exchange risks on the part of the banks will be avoided, and the volume of foreign exchange which will remain within the banking system and outside the central bank will be controlled.

"The obligation by the banks to transfer to the Bank of Greece the foreign exchange and foreign banknotes which result from their daily transactions is abolished. However, provisions which otherwise regulate the acquiring and distribution by the banks of foreign-exchange funds are not affected, in cases other than those which are touched upon in this bill.

"Article 4

"In the first paragraph, the manner of fixing the parity of the drachma with respect to foreign currencies is stipulated. This parity will be announced as an Athens rate of "fixing" (sic: 'fixing?') in the relevant bulletin which will be issued at the end of each rate-fixing meeting, with those commercial banks attending which desire to participate in the system. The same parity will form the basis for fixing the official sight rate according to Paragraph 2 for the buying and selling of foreign exchange with the introduction of the 'ecart.'

"This last rate is called official for two reasons: a) In order to distinguish it from the rates which will develop daily in the marketplace on the basis of the law of supply and demand. b) Because it will be used in transactions with the State, by the courts for finding the equivalent of the drachma for an amount of money which has been awarded in a foreign currency, by customs-houses for the imposition of duties, and so forth.

"As is apparent also from the title of the bill, a sight market only is being created. For time transactions, the Bank of Greece will continue to fix the foreign-exchange rates by issuing the relevant bulletin, as it does today. But the Currency Committee is empowered to also create, at the suitable moment, a time market for foreign exchange, defining also its terms of operation as exceptions to every other provision.

"Article 5

"The Bank of Greece is empowered to publish and modify the rules for carrying out the daily 'fixing.'

"Article 6

"Supervision over the banks for the purpose of implementing the provisions of this bill is entrusted to the Currency Committee, whose duties include the more general superintendence of the banks and the determination of the terms and prerequisites for acquiring foreign exchange domestically. This control will be exercised by the Bank of Greece, as an organ of the Currency Committee. In order to facilitate this control, the Bank of Greece: a) Will publish guidelines of conduct for the banks both in their relations with each other and in their relations with their customers, within the framework of the foreign-exchange market which is being created, b) Will take steps against any banks which violate the

provisions of this bill or its guidelines, even to the point of recommending to the appropriate authority that the permit to engage in foreign-exchange operations be revoked--at all times, of course, depending on the magnitude and the seriousness of the violation and its consequences to the foreign-exchange market or to the national economy more generally.

c) Will request from the banks any particulars and information which it needs as a basis for decisions and measures which will ensure the smooth operation of the foreign-exchange market.

"Article 7

"The operations involving foreign exchange and foreign banknotes as well as deposits in drachmas for up to 6 months between the banks and between them and the Bank of Greece, and the proceeds from these, are exempted from any tax, assessment, fee, or retention on behalf of third parties, with the exception of the income tax, where this is due in accordance with the prevailing regulations. More specifically, the exemptions on the deposits in drachmas are limited to the deposits of up to a 6-month period. These tax exemptions pertain to the Business Turnover Tax and the stamp duty and are of limited extent. But such exemptions are deemed necessary to avoid putting an added burden on the rate of exchange and so that such operations, when conducted abroad, are not to the detriment of the Greek economy."

12114

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LEGAL INVESTMENT INCENTIVES OUTLINED

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[Text]

OVER the past 28 years the Greek government has enacted a series of incentives in the forms of laws, legislative decrees, acts, etc., to stimulate productive investments. This is a step towards encouraging the creation of competitive-sized manufacturing facilities and decentralising the country's industrial activity. Imports of foreign capital, regional development and industrial areas are the three general categories of investment incentives. Below we present the legal framework within which incentives for productive investment can be found.

Legislative Decree 2687/1953, concerning foreign capital both originally and subsequently imported in any form, namely foreign exchange, machinery and materials, patents, technical processes as well as trade marks. This law provides guarantees for foreign capital invested for production purposes and includes tax exemption, remittance guarantees and special benefits for exporters. "Productive investment" in the sense of the law refers to any investment which aims to promote national production or generally contribute to the economic advancement of the country.

All imports of foreign capital for productive investment are approved depending on the importance of the investment.

The total amount or part of the profits realised from foreign capital can be regarded as foreign capital provided that such profits are reinvested in the enterprise from which they were derived or in any other enterprise officially considered.

Law 4171/1961: concerning the stimulation of investments which will help to speed up the rate of growth of the Greek economy. This law provides special incentives for major productive investment

projects of domestic or foreign capital valued at over 150,000,000 drachmas. It is also applicable to all cases of expansion of existing plant facilities or enterprises provided the cost of investment is at least 50,000,000 drachmas in new plants and equipment, with the original investment cost of the installations to be expanded by at least 150,000,000 drachmas. This law takes a broader view of important productive investments. These are the ones that contribute to the economic progress of the country and which produce a substantial increase in national output and employment, an important increase in exports, save significant amounts of foreign exchange, or cause a substantial inflow of foreign exchange.

According to the law, repatriation of foreign investment capital may start one year after the importation of such capital and may not exceed 10 percent per annum of the amount imported. The repatriation of profits may take place at an annual rate of 12 percent of imported equity capital. If loan capital has been imported, 10 percent of the annual interest payment is allowed to leave the country.

Export oriented enterprises enjoy higher remittance rates. In this case, the total amount of capital and profit repatriated may reach 70 percent of the net foreign exchange earned from the export activity. Loan capital also has remittance allowances. If such loans are less than or equal to twice the share capital of the enterprise, annual remittance may reach 20 percent of such loans. Earnings reinvested in the same or any other enterprise officially considered may receive the same treatment as that offered to capital initially imported both with respect to repatriation of principal and remittance of profits.

In the case of productive investment projects valued at at least 500,000,000 drachmas, instead of a ministerial decision, an agreement may be concluded between the government and the investor.

Law 4458/1965: concerning industrial areas. Industrial areas are organised for the establishment of industrial, shipbuilding and repairing, and handicraft enterprises of any kind and enterprises engaged in the processing, storage and marketing of agricultural products. The above fall within the scope of existing Zoning and Environment Protection Plans and grammes.

Laws 89/1967 and 378/1968: concerning the establishment in Greece of foreign commercial and industrial companies. According to law 89/1967, foreign commercial and industrial companies (the word "company" means an enterprise operating under any legal form, including personal enterprises) of any type or form legally operating in the country of their registration and dealing exclusively with commercial business whose object lies outside Greece, may be established in Greece following the granting of a special permit by the Minister of Coordination.

According to law 378/1968, foreign shipping enterprises of any type or form may be established in Greece under the provisions of law 89/1967 and enjoy all the benefits of both this and the present law in respect of any and all their activities that would be expressly approved through the decision to grant an establishment license.

Greek shipping enterprises or offices of any type or form established in Greece prior to the promulgation of law 89/1967 may, on request, be made subject to the provisions of laws 89/1967 and 378/1968 provided their activities are the same as those of foreign shipping enterprises established in Greece under law 89/1967.

Legislative Decrees 1313/1972 and 1378/1973: concerning measures to support Tourist Development. Under this law, the building of hotels and the purchase of new fixed assets of any kind directly serving hotel requirements are regarded as productive investments. The purchase of passenger cars or the purchase of building sites or tracts of land which remain undeveloped, and the land area is not reasonably proportionate to the requirements of this decree, are not regarded as productive investments.

Law 289/1976: concerning incentives for the development of border areas and related provisions. Enterprises falling under the provisions of this law are: industrial, handicraft, mining, quarrying, tourist, agricultural, stock-farming, poultry raising and sericultural enterprises. Under the provisions of this law, region E is created consisting of: Nomes of Evros, Xanthi, Rhodope, Lesvos, Chios, Samos, Dodecanese. Incentives provided by this law can be outlined as follows:

- Tax deductions
- Reduction of Property Transfer Tax
- Reduction of Turnover Tax
- Subsidy covering expenses for the erection of buildings

- Subsidy covering interest charges or loans and credit
- Reduction of social security contributions
- Obtaining of housing loans
- Exemption from stamp duties on housing loan contracts and other related provisions
- Increase of housing loan limits
- Housing assistance: tax exemptions and related provisions.

Law 849/1978: concerning incentives to the country's regional and economic development (for industrial, handicraft, and mining enterprises).

A. Incentives to the development of industry and handicrafts. The government grants loans to cover the cost of investments made between January 1, 1978 and December 31, 1985 for the following purposes:

- a) Reducing pollution of soil, subsoil, water and the atmosphere.
- b) Considerable saving of electricity or other power generated by conventional means (solid, liquid or gas fuel).
- c) Establishment of new or expansion of already existing applied industrial research laboratories; establishment of pilot plants for the turn out of products from ores and minerals of domestic origin.

This chapter of the law also refers to:

- Various incentives for regions A, B, C, D, E
- Terms and conditions of granting loan facilities
- The constitution of investment committee and distribution of financial support
- The procedures of advancing loans in support of investments and loan repayments
- The subsidies to loan and credit interest rates.

B. Incentives to stimulate the mobility of the labour force.

C. Incentives for shipbuilding and shiprepair industries.

Establishment of Customs Free complexes in harbour or other seaside areas and the installation and operation within them of industrial units for the building and repairing of ships, vessels or other craft and the carrying out of metal work.

D. Modification and expansion of incentives for tourism.

E. Incentives for the conversion and merging of enterprises

Law 468/1976: concerning Greece's new oil exploration and development policy. This law is subject to Presidential Decree. According to its provisions:

- A model for profit-sharing and lease contracts is set forth.
- The government is able to negotiate oil exploration and development agreements with foreign firms.
- The government can award contracts either through international tenders or by direct invitation to selected firms.

Tax and other measures in support of regional development are also in L.D.s 1078/1971, 1312/1972, 1377/1973.

Draft law: concerning investment incentives. A draft law has been presented to Parliament concerning Government incentives to stimulate investment, for regional and economic development. The main points of this law are as follows:

A subsidy (i.e. a payment by the State of non-reimbursable money) to cover a part of the expenditure involved in the implementation of the investment.

- A subsidy to cover part of the interest on loans, or credits from banks or banking institutions, or bond loans issued for public registration, when these loans are contracted for the implementation of an investment.

- A deduction will be made from the net profits of a company equal to a percentage of the expenditure or investment, and this amount deducted will be kept in a special reserve account and will be exempt from tax.

- The government will pay the cost of any depreciation beyond the regular depreciation cost.

Enterprises which will be covered by the provisions of the bill, include:

- Manufacturing enterprises (including industries and small businesses) which are involved with the

manufacture of refrigeration units, and the grading and packaging of vegetable products.

- Metallurgical companies, including private lignite mines and quarries, marble quarries, and mines for industrial ores.

- Applied industrial or mining research companies, as well as companies researching the exploitation of new sources of energy, and the application of systems for energy saving.

- Companies that produce and sell energy to third parties, in the form of steam or combustible gas, provided that the energy produced is other than petroleum.

- All hotel enterprises, however they operate.

- Affiliated companies of public enterprises and organisations, ETBA, the Hellenic Enterprises of Industrial and Mining Investments (ELEVME) as well as government enterprises, municipalities and communities,

provided that these companies are included in one of the categories mentioned in the above paragraph, with the exception of telecommunications, electric power, and gas companies.

Investments considered productive, and thus eligible for the assistance provided by this bill, include the construction or purchase of new buildings, storage or refrigeration space, and installations, as well as the purchase of new machinery and instruments for the production, research, transportation means, or the purchase of any other new fixed assets for the needs of the enterprise. The purchase of new passenger cars of up to six seats, office furniture, and land, are not considered to be productive investments.

Subsidising investments

For the requirement of the bill, the country has been divided into three main regions:

- Zone A includes Attica, with the exception of the Province of Cythera, the section of the Corinth Prefecture situated beyond the canal, the Province of Thessaloniki, with the exception of the section situated to the west of the Axios River, and the industrial zone of Thessaloniki.

- Zone B includes the Prefecture of Corinth with the exception of a part of the Canal, the Prefecture of Achaia with the exception of the Province of Thebes, the Prefecture of Euboea with the exception of the island of Skyros, the Prefecture of Magnesia, the Prefecture of Larissa with the exception of the Province of Ellassona, the Prefecture of Yannitsa, the Prefecture of Kilkis, and the Province of Langadas.

- Zone C includes the remaining parts of the country.

The subsidy on expenditure for a productive investment which takes place in Zone B may amount to up to 20% of the expenditure for activities of low assistance, 25% for medium assistance, and 30% for high assistance. In Zone C, the basic subsidy may amount to up to 40% for low assistance, and 45% and 50% respectively for medium and high assistance. Productive investments by mining companies in Zones B or C may reach 40%. Subsidy in Zone A may amount to 10% of the expenditure, provided the investment is within the ETBA industrial areas in which special programmes of regional development are applied.

Hotel enterprises may receive up to 20% in Zone B and up to 35% in Zone C. For traditional buildings, the subsidy may amount to up to 50% for the construction or repair of the buildings for tourism, regardless of where the building is located (i.e. Zone B or C).

Special investments

1. Companies to be assisted under the bill will be subsidised for expenditure of investment made in any part of the State, which aims at: environmental protection, electric power or any other form of energy saving, technological development by the establishment of new laboratories or the expansion of existing laboratories of applied industrial or mining research.

2. Hotel enterprises are to be subsidised only for investments for the purpose of replacing heating or air conditioning installations with solar or wind systems, or geologic energy systems.

In all the above cases, the subsidy may amount to up to 40%, regardless of the Zone in which the enterprise is established.

Finally, for enterprises which are transferred from Zones A or B to Zone C, a re-establishment subsidy is to be given, provided that the new installation is 60km away from the old one.

LOW LEVELS OF PRODUCTIVE INVESTMENTS REPORTED

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[Text]

One of the major problems facing the Greek economy has been the low level of productive investment. In the last 20 years the growth rate of the Greek economy has been one of the highest of the OECD countries. Income from the secondary sector, and particularly that from manufacturing and the construction of dwellings has also grown at high levels. High growth rates of the economy resumed between 1975 and 1979 following the 1974 slump.

The Greek governments have always followed a policy of encouraging productive investment (including direct foreign investment), particularly in the less developed parts of the country. This has always been an important part of Greece's Economic and Regional Development Plans. Regarding direct foreign investment, the term 'productive' includes those projects which promote Greek production and/ or contribute to the development of the Greek economy. The promotion of productive investment is secured through a host of laws governing investment activities and the operation of business enterprises (see below), low interest rates and other measures such as the creation of industrial zones by the Hellenic Industrial Development Bank (ETBA). In view of Greece's accession to the European Communities, the Greek Government has submitted to Parliament a draft law which revises previous investment incentives and regulations (for the main points see below). As well as a favorable investment climate, Greece also enjoys political stability. Furthermore, in a few months time it will become the tenth member of the European Communities. Greece's proximity to and friendly relations with the Arab world further promote investment initiatives.

Manufacturing Investment Stagnating

Despite the favorable factors mentioned above, productive investment in Greece has remained at low levels and has shown little or no increase over the last five years. Private investment in manufacturing dropped by 12% in 1975 in real terms; it increased by 0.7% in 1976, fell by 4.8% in 1977 and by 2.8% in 1978; and increased by 9.6% in 1979. Between 1974 and 1979 private investment in manufacturing dropped by 10% in real terms (see Table 1).

The investment in dwellings has constantly increased its share of the total gross fixed asset formation of that period. The absence of an adequately developed capital market, the awareness of the Greeks of the significance of real estate as a store of wealth, and the rapid increase in disposable incomes, have all led to an upsurge in construction activity. This has directed funds from more productive investment and has intensified inflationary pressures. The recent slump in construction activity partly due to Government policies and also due to the drop in real disposable incomes, shows its inflated significance in business activity, employment and the Greek economy in general. Investment in agriculture and in transport and communications also increased between 1974 and 1979 but at a lower rate.

Investment in electricity has recovered since 1978 and the Public Power Corporation is engaged in an extensive investment program which will ease Greece's dependence on imported oil.

Foreign Investment at Low Levels

In the meantime, the inflow of direct foreign investment to Greece covered by Law 2687/53 remained at low levels. Actually if one takes into account the repatriation of the imported capital and reinvested profits, there was a net outflow in 1977 and 1978 and a small increase in 1979 (see Table 2).

A good part of the productive investment in recent years has been to replace aging machinery. Plans to expand and modernize the existing facilities in the basic metals and cement industries, are gradually being implemented.

TABLE 1
Gross Fixed Asset Formation
(in million drachmas - at constant 1970 prices)

	1974	1975	1976	1977	1978	1979
1. Agriculture etc	7,015	7,825	7,740	8,302	7,209	7,218
2. Mining and Quarrying	1,462	1,670	1,859	1,457	2,077	2,160
3. Manufacturing	14,914	13,132	13,228	12,599	12,224	13,418
4. Electricity, Gas, etc	8,181	6,039	6,021	5,711	6,097	7,884
5. Transport & Communications	15,142	14,050	15,853	16,732	17,995	16,903
6. Dwellings	15,869	20,476	21,909	26,428	30,074	32,510
7. Public Administration	580	583	642	582	669	450
8. Other Service Industries	11,337	10,905	12,438	14,139	13,635	13,857
Total	74,500	74,680	79,750	85,950	90,000	94,400

The Law 849/78 concerning incentives for the country's regional and economic development has so far attracted investments of several billion drachmas to the border areas of Greece.

Since investment in fixed assets is one of the major factors affecting productivity, the Greek industry still has to rely to a large extent on the Government's protectionist policies and measures and to the comparatively cheaper labour force, to retain its competitiveness in the Greek and world markets.

Reasons for Low Productive Investment

The issue of the continuing low levels of productive investment (both domestic and foreign) in Greece, is a controversial one. The Government points to the political stability, the favorable legislation and the other incentives. However, the industrialists have asked, amongst other things, for a more consistent long term economic and taxation policy, and for a policy to promote investment. The opposition leader A. Papandreou has criticized the industrialists for the lack of productive investment, arguing that credits have been used to finance consumption expenditures or have been transferred abroad instead of being invested.

The Bank of Greece in a well documented report examining the disincentives hindering the development of the Greek economy looked also at the disincentives adversely affecting productive investment.

The report places the blame on the lengthy and cumbersome obligatory administrative procedures which a prospective investor has to pass through in order to secure approval for his investment. These procedures discourage businessmen and carry high costs for them as they are time consuming. The report also pointed at the problems which arise from the operation of the industrial zones, introduced and managed by ETBA. The main problems referred to are the inadequacy of the infrastructure, other operational problems and the fact that many businessmen want to invest in land that appreciates in value as time passes.

In spite of these initial problems and weaknesses the present situation in the industrial zones is a significant improvement, and it is expected that they will contribute substantially to the regional

TABLE 2						
Movement of capital (DL 2687/53) (thousand of \$)						
	INFLOW			OUTFLOW		
	1977	1978	1979	1977	1978	1979
a. In Foreign Exchange	8,811	14,315	16,305			
b. In Machinery etc	15,532	3,585	3,512			
Total	24,163	17,900	19,897	25,845	21,472	16,720

development of Greece. Unplanned industrial development leading to social and environmental problems, will be a thing of the past.

To these factors adversely affecting productive investment, one may add the comparatively small Greek market, various infrastructure problems and the restrictions to capital movements. The strict regulations relating to the movement of capital in force in Greece and administered by the Central Bank will undergo some important changes as far as transactions between Greece and the other members of the European Communities are concerned (see B & F No 102, and below).

An area of particular concern is the low production of the Government sector, mainly due to lengthy administrative procedures and red tape. Administrative delays and bureaucratic bottlenecks often kill initiative and discourage prospective investors.

The Government Takes the Initiative

In order to boost the low investment level and to support private initiative, the Greek Government has undertaken, through state controlled companies and banks, several investment initiatives. The most important of these are a) A \$640 million petrochemical complex by the Hellenic Industrial and Mining Investment Company (HIMIC); b) Exploitation of asbestos deposits by ETBA c) A ferro-nickel industry

by HIMIC d) An electronic telecommunications equipment plant, an ammonia plant and development of the Messolagi salt pans by ETBA.

The Greek accession to the European Communities can act as a catalyst for productive investment in Greece. Will the Greek bureaucracy meet the challenge? It is hoped that the necessary reforms to the banking system will help prospective investors and improve the business climate of the country. Equally important is the liberalization process of the capital movements.

The liberalisation process

A major incentive for investment directly related to Greece's accession to the EC, is the liberalisation of capital movements. The Greek manufacturing industry will be able to develop at a faster rate as soon as investment procedures have been simplified and liberalisation has become a basic determinant of the capital market. This will create a favourable environment within which the Greek manufacturing industry may perform successfully.

According to the Official Journal of the European Communities (19.11.1979, Articles 50, 51) the Hellenic Republic may defer:

1 (a) until 31 December 1985 the liberalisation of direct investments in the present Member States made by persons resident in Greece;

(b) until 31 December 1983 the liberalisation of the transfer of the proceeds of the liquidation of direct investments in Greece made before 12 June 1975 by persons resident in the Community. During the period of application of this temporary derogation, the general or special facilities relating to the free transfer of the proceeds of the liquidation of these investments and existing by virtue of Hellenic arrangements or of agreements governing relations between the Hellenic Republic and any present Member State shall be maintained and applied in a non-discriminatory manner.

II Recognizing that it is desirable to proceed, from 1 January 1981, to a substantial relaxation in the rules concerning the operation referred to in paragraph (a), the Hellenic Republic will endeavour to take appropriate measures to this end.

III The Hellenic Republic may defer until 31 December 1985:

(a) the liberalisation of real estate investments, in a present Member State, by persons resident in Greece who do not fall within the category of those who emigrate in the context of freedom of movement for workers and self-employed persons;

(b) the liberalisation of real estate investment, in a present Member State, by self-employed persons resident in Greece who emigrate, other than investments connected with their establishment.

IV The repatriation of the proceeds from the liquidation of real estate investments situated in Greece and acquired before accession by persons resident in the present Member States shall be the subject of a gradual liberalisation through the inclusion of the operations in question in the liberalisation system introduced for the funds blocked in Greece as defined in Article 52.

CSO: 4920

ANDREOTTI INTERVIEWED ON POLITICAL SITUATION

Milan IL BORGHESE in Italian 10 Aug 80 pp 901-903

[Interview with Giulio Andreotti by Mario Tedeschi: "Andreotti Answers his Critics"]

[Text] August, by tradition, is a dangerous month in Italian political life. Perhaps this is so because over here, the life expectancy of a government is measured in months, and thus crises and turbulences simply would not decide to take a break during the summer recess. Perhaps it may be explained by the fact that our country's rhythm of governmental life occurs in perfectly chaotic order: as a result, one may witness the birth of a government, one that meets constitutional or electoral deadlines (with the budget once a year, various sorts of elections almost every year), one that expends its effectiveness in 3 months and is immediately forced to begin the task of justifying itself in an attempt to survive. It is a fact that the second Cossiga government is no exception to this rule.

Yes, it is true; when it involves rejecting the accusation made by the council president of having facilitated Mario the escape of Donat-Cattin, who is accused of terrorist activity and a couple of murders, parliamentarians of the three-party majority "circle their wagons" (with a few defections and several clandestine substitutions). Nevertheless, economic decrees either are not put through or are significantly modified (following the treasury minister's trip to display and praise them in Brussels in order to obtain the EEC's approval). Nevertheless, the disagreements between ministers is well known (as in the case involving Alfa-Nissan or the nominations case). Nevertheless, inflation continues to rise and with the passing of time the crisis grows more serious. And of what use is the parliamentary "wagon circle" if the government is lacking the country's approval, which is indispensable in order to find the strength to seriously govern the country?

These worries are very noticeable, particularly within the Christian Democratic Party (DC) where the political and propaganda initiatives of the Italian Socialist Party (PSI) are beginning to be felt. Has the DC perhaps lost the ability to express its "line"? Has it no more ideas or are they confused? Can the DC lower itself and engage in a rearguard action to allow

Bettino Craxi the time necessary to win his party's congress and thereupon immediately request the council presidency? And finally, the question of all questions: What is there to assure not only the DC, but all of Italy that the day the PSI reaches Palazzo Chigi it will not strike an accord with the Botteghe Oscure [Italian Communist Party--PCI--Headquarters]?

These doubts are more than justified; however, one who is not in agreement with the present majority is immediately subject to all sorts of accusations, beginning with that of being anticommunist. This has been the case with the honorable Andreotti.

Andreotti, if the truth be known, was not even upset by all this and has chosen to pass his days in a very special place.

Upon entering that strange architectural marriage of Humbertine prefecture and Montecatini baths better known as the Chamber of Deputies, one cannot imagine the existence, on the roof of this building, of an incredible roof terrace. It is a light structure, with rafters well placed to afford one of the most beautiful views of Rome.

When the Foreign Affairs Commission had to leave its offices and return those rooms borrowed from the chamber president's quarters, the honorable Andreotti moved into the roof terrace and occupied a room that was nothing but windows. Each window is like a painting. On one side, St Peter's, on the other the Quirinale. And he, Giulio Andreotti, is in the middle, exactly halfway between the two, as if to remind one that he is still perched on the path which all those who wish to govern in Rome must travel; he cannot be avoided and he cannot be ignored.

In part due also to queries by our many readers, we asked the former council president to clarify his present position in an interview. The request was for "an open, frank interview" which the honorable Andreotti accepted, answering without hiding behind smokescreens.

Question: Before going into more detailed questions, in order to understand your political thought, I would like to ask you to comment on the recent parliamentary debate on the Donat-Cattin - Cossiga case.

Answer: It thundered so much that it (justly) failed to rain. I found it particularly sad to have Francesco Cossiga raked over the coals and suspected of a weakness toward terrorism while everyone is aware of his courageous stand regarding that matter.

In recent debate, we have noted that modifications brought forth by the examining magistrate from the hurried law on parliamentary initiative, promoted to avoid the referendum, are nothing more than "reformationes in peius." I believe we have a consensus and that the motion can be rejected by a large margin.

Question: However, a minority member has clearly accused you of leaking the Peci transcript, labeling you Questor Russomanno's "godfather" and accusing you of engineering some kind of sordid plot with which to combat Donat-Cattin.

Answer: That is an authentic stupidity that has already made the rounds (perhaps the work of those more or less mysterious grapevine offices that always try to make smoke in order to distract one away from the truth). I did not pay much attention to it but once it became part of the parliamentary record I could not ignore it. I sent a strong denial to the honorable Franchi and to Montanelli's Giornale which previously had mentioned the subject but adding that it did not believe in it.

I repeat that I do not know Dr Russomanno and that I have never had any direct or indirect dealings with him. Case closed.

Nor is it necessary for me to deny that I have not read the Peci papers. I was vaguely aware of their content because the open press had stated that, according to Peci, during the shameful planning of Moro's abduction, the terrorists planned, as an alternative, either to kidnap me or my colleague Costamagna.

Unless one had the need to know, it is better to stay away from certain documents.

Question: Unless I am overlooking something, you did not react to Donat-Cattin's interview in which language certainly not complementary about you was used.

Answer: It is no use engaging in polemics with a man who has experienced such a traumatic family misfortune. I expressed, from the very beginning, my dedicated human solidarity with him and I still do. Moreover, the method of posing questions by the interviewer, who later made some strange changes, may have excited Donat-Cattin in a moment of understandable internal turmoil.

I spoke of the case, which blew up during the latest electoral campaign, at my political rallies in the following terms: "In a month when we should be focusing on planned important international events, such as the European Council, President Carter's visit, the Venice Summit, it seems as though the whole of Italian public life is riveted on the painful events caused by the son of one of our friends, who has been living underground for years, not just recently. To weaken the council president's position at this time would be an act of exceptional gravity besides being deeply unjust." (Matera 4 June 1980) "We firmly answer with a responsible and reasonable vision of a policy of effective service for order and progress of Italy to whoever wishes to speculate on the defection of a political figure dramatically deluded in his own son or hatching plots to destabilize the government." (L'AQUILA, 6 June 1980)

Question: Turning now to the meat of the matter. Many of our voters write us stating they do not understand your present views. Sometimes you appear to be very close to the communist theses: Is there any truth to this impression?

Answer: Our whole effort in democratic construction, both before and after the Constituent Assembly, had the aim of creating conditions for effective development to guard against any sort of dictatorial adventures.

In order to achieve this, a great solidarity was necessary because the Stalinist communist world was challenging the whole rest of the world, defined very approximately as capitalist.

Over three decades of constitutional life; altered world conditions (clamorous split of the communist world, the 1956 Soviet self-criticism, etc.); the formation of a widespread understanding for cooperation among peoples and security both inside and outside Europe: all this has given rise to a policy of detente which made possible the mitigation of the political struggle in Italy, which had already been made moderate by the joint administration of many regions and large centers by communists, socialists, social democrats and even republicans.

It was, however, our dramatic economic-financial conditions and the increase of terrorism which gave impetus, in 1976, to a "national solidarity," namely, to a loyal and risky support of a noncoalition DC government by the communists. Without the nonvote of no confidence and later the favorable vote, the whole Italian situation would have collapsed. Perhaps not by chance alone, but when inflation was cut in half, as monetary reserves increased and the balance of payments went from a suffocating red to a consistently positive black, the political parties again shifted to contrasting, differentiated ways.

There is also my personal problem regarding coherence toward those who gave us a hand and yet had to pay a not negligible electoral penalty. There is, furthermore, the conviction that faced with problems which not only have resurfaced but are worsening, it is indispensable to find again that special understanding linking the communists with the other parties. Otherwise, we run the risk of recurring episodes such as the reversal of the .5 percent law on salaries. He who defines this picture as ideological weakness or resignation shows that he is far off course: "They who have eyes and do not see, ears and do not hear," as I wish to state from the Bible. The complete and irreversible fulfillment of the constitution will not come about without a great common effort by the different political formations.

Question: Do you really believe in a U-turn by the communists?

Answer: U-turns are extremely dangerous and would not serve our needs. When I see Berlinguer confirm (see the latest interview in *Il Corriere*) that "West Europe's security would not be conceivable without the American

nuclear umbrella"; when Italian communists in Rome and in Strasburg censure the incredible adventure in Afghanistan; when they refuse to go to the Paris conference; when they regularly vote differently from their French comrades in the European parliament; when there obviously exists an interclass structure within their leadership apparatus, all this cannot be underestimated, running the risk of an absolute reversal, one which would be detrimental to Italian interests.

Question: But were there to be a war, could the communists side with the West?

Answer: If we were to be attacked, I believe there would be a very widespread resistance front. Fortunately, however, I do not believe this hypothesis can be considered probable. Peace has grown some rather deep roots.

The international problem is to overcome misunderstanding and prejudicial mistrusts and to work tenaciously for gradual disarmament and detente. A necessary prerequisite in this framework is a revival of ongoing relations between Washington and Moscow, to be sealed by the ratification of SALT II.

Furthermore, do you think an Italy, politically split in half would be militarily stronger? I do not believe it for one moment.

Question: But the DC congress has closed the doors to any contact with the PCI.

Answer: This is only partly true. It is logical and exact that at this point the communists aim at achieving a leftist majority by means of maintaining and intensifying their rapport with the socialists (in a continuous love-hate relationship) and with other more middle-of-the-road political parties.

Question: To add fuel to your voters' doubts, you criticized Carter's decision regarding the Olympic boycott, labeling as "silly" anyone who favored nonparticipation.

Answer: That is not so. I said it was silly to define as anti-American or not concerned about the Afghan invasion one who did not encourage boycotting the Moscow games. If President Carter had consulted with some of the allies, he could have avoided ending up in an unfavorable arm-wrestling position, made even less comprehensible by the applauded and honored participation of the Soviets in the winter games which took place in the United States.

I have always held that politics and sport must help one another in a reciprocal manner, but never be confused one with the other. I knowingly risked a crisis when the government allowed tennis players to go to Chile to compete for the Davis Cup. I am sure that the decision taken with regard to Moscow runs the risk of causing a chain reaction at a later date:

imagine, for example, if African countries were to refuse to go to Los Angeles in 1984 unless all black defendants convicted by white juries were set free or given new trials. I know these are far-flung hypotheses, but if one were to go beyond the watermark of nonconfusion between politics and sport, the frontiers would be open to all those who wanted to partake. Perhaps it might be correct to support Karamanlis' proposal to hold the Olympics permanently in Greece and avoid just those kinds of inconveniences.

And I wish to add that there was also the matter of the athletes themselves who laboriously (and in many specialties without fame or glory) trained for years for these very Olympic games of 1980. Keeping the situation in suspense for months was already very damaging, as the astute Sara Simeoni pointed out. It would have been very bad indeed to bar the road to those who worked so hard to compete. This may be just a partial aspect of things, but it cannot be deemed irrelevant.

I also noted, by the way, that polls taken in the United States in the last few weeks, during the Olympics have been the lowest ever for Carter. November is still a ways off, though, and Carter is a good runner.

Question: Pardon me for digressing. Does this sport autonomy impede you, as a Roman politician, from commenting about the Lazio soccer team expulsion from the national series league?

Answer: I am not familiar with the summary motives which resulted in a very harsh decision and I cannot comment on the situation in profound arguments. However, I can express bitterness and doubt, even if, and perhaps because, I am a die-hard fan of the Roma soccer team. The bitterness is for the scandal which affected millions of young Italian soccer enthusiasts with that mess of tricks and wagers. My doubt is this: when a matter, subject to special stay, is being developed as a central topic in an upcoming trial before an ordinary magistrate, shouldn't one wait for the trial to be over before taking any action? This is the case, for example, for disciplinary actions involving public servants, be they military or civilian. What would happen if for the identical offenses, punished so harshly, the judge were to dismiss the case for lack of sufficient evidence?

I do not know if turning to a regional administrative tribunal would bring about the revocation of the blocking action and lead toward finding a clearer jurisdiction regulation. On the other hand, to drastically punish a team without charging the directors is really difficult to understand with all respect due to the doctrine of objective responsibility.

Question: To bring things to a close: your latest book was a success, from a commercial point of view as well. Will you continue to write?

Answer: I am very happy with the success, from a critical and financial point of view, of my "Ogni Morte di Papa." In this regard, I am receiving interesting accounts of a confirmatory and integrative nature of which I will make use in future editions (the second edition has already been published).

Now I am involved in writing a diary of the years 1976-1979, in which I wish to contribute, in a rigorously objective manner, to the body of knowledge of what happened during the seventh republican administration. I plan to finish it next December and publish it in the spring of 1981, if God will let me live that long.

9209

CSO: 3104

TURKISH FOREIGN POLICY DISCUSSED

Florence POLITICA INTERNAZIONALE in Italian Feb 80 pp 37-47

[Article by Marcello Dell'Omodarme: "Between East and West, but in the West"]

[Text] A Moslem nation by religion and culture, southern by geographical position, Turkey is integrated politically and militarily with the West and maintains good-neighbor relations with the USSR. The alternating phases of an agreement of association with the EEC, from the point of view of the customs union and membership in the Community. The Cyprus question and conflict with Greece led to a rupture with the United States and to the embargo of military supplies, an embargo which was recently revoked. The strategic position of Ankara and protection of the southeastern Nato flank and Soviet attempts to pull it out of the Alliance.

After World War II Turkey abandoned the policy of neutrality conceived by Kemal Ataturk and followed by Ismet Inonu through the government of the People's Republican Party (PRP), the country's only party, which gained power at the time the republic was established in 1923. To abandon the neutrality policy for Turkey meant integrating itself with the West, first economically and then militarily and finally politically. The reasons for this choice are at once economic--the need for concrete aid in order to advance from an agricultural to an industrial economy--and political-religious: The rejection of communism, also seen as a threat to the Islamic faith. Begun by Inonu, this was to be the foreign policy of all Turkish governments from 1945 to date even though in the course of time, and especially in recent years, they tended to regain a margin of autonomy in Turkey's geopolitical area.

We have said that integration of Turkey with the West began on the economic plane. In fact, Turkey first accepted the Truman Doctrine (12 March 1947), with which the United States gave aid in money and civilian and military personnel to "the free peoples who struggle against attempts at subjugation by armed minorities or external pressures" (in practice, at that time, the Greek and Turkish peoples). Then it accepted its logical consequence, the Marshall Plan, which on 16 April 1948 led to the establishment of the European Organization for Economic Cooperation and Development (OECD). However, American aid was given for a precise political-military purpose: The integration of Turkey into the Western strategic area considering its fundamental importance as an outpost in the common defense of southern Europe and the Mediterranean and as an observation post of Soviet air space, and also as a means of achieving containment of the USSR in this political sector. This has been American policy since 1947. This integration became reality with the new government of Adnan Menderes and of the Democratic Party, which won a landslide election on 14 May 1950. Menderes in fact decided to send an expeditionary corps to Korea and to subscribe to the Atlantic Pact (Protocol of Membership dated 22 October 1951, effective 18 February 1952).

The true point of departure of Turkey's Western policy was marked by its entrance into the Atlantic Alliance and into its military organization, NATO. This policy developed according to a continuous line which aimed to extend the influence of the West in central Asia. On 24 February 1955, Turkey, Great Britain, Iraq, Iran and Pakistan formed the Baghdad Pact (a military alliance to which the United States gave aid, and which later, in 1959 with the withdrawal of Iraq, was transformed into CENTO (Central Treaty Organization)). At the Afro-Asiatic nations conference at Bandung (18-24 April 1955), Turkey defended the capitalist system and the U.S. military presence in the area, thus demonstrating that it had definitively chosen the West and had rejected a policy of equidistance and nonalignment. Further proof of this choice of sides was given by Turkey in 1959 when it accepted American bases for intermediate missiles on its territory. As a result of this, the United States regained strategic parity with the USSR, which now possessed (since October 1957 when Sputnik was launched) the intercontinental ballistic missile. Beginning on 5 March 1959, in fact, Turkey concluded a series of bilateral treaties with the United States, which, however, were never ratified by the parliament. These involved the installation of bases for Jupiter missiles and for U-2 spy planes (the shooting down of one of these was to be the cause for cancellation of the summit meeting of May 1960) under sole American control, as well as the U.S. right to intervene to repel "a direct or indirect military aggression." It was to be precisely this right of intervention--whose limits included also repression of popular insurrection--that was to trigger the process of revision of the alliance with the United States, which was too unbalanced to the advantage of the latter.

It was also in 1959 that Turkey's western, or rather American, choice was completed with the European choice. It is true that Turkey became a member of the European Council in October 1949, barely a few months after its

establishment, but it was only after the affirmation of the process of European integration through the three communities (the Steel Pool, EEC and Euratom), that it was able to see in the European tie another means of guaranteeing its security and pursuing the development of its economy. The six European member states of EEC were disposed to give economic aid to Turkey to achieve a political objective: The integration of Turkey (and of Greece) into the Western system adding guarantee to guarantee--the Atlantic guarantee to the European guarantee. Certainly, the cold war was about to give way to detente, but the policy the West followed was still that of containment of the USSR, particularly in its push toward the Mediterranean and the Middle East. Thus, agreeing upon objectives, Turkey and Europe began the process of reciprocal rapprochement which was to conclude with the signing of an agreement of association.

On 31 July 1959, Turkey presented an application for association with EEC according to Article 238 of the Treaty of Rome (on 8 June Greece had presented a similar request). The EEC Council of Ministers accepted it on 11 September. The Turkish application raised among the six nations, and particularly Italy, considerable concern over the consequences of commercial expansion of certain Turkish agricultural products (dried figs, wine) on their own processing of these products. Italian concerns were mollified during the course of talks which Prime Minister Antonio Segni and Foreign Minister Giuseppe Pella had from 15 to 18 September 1959 at Istanbul with their Turkish colleagues. In any case, beginning in 1957 (visit of Italian President Giovanni Gronchi to Ankara, from 11 to 15 November 1957; the visit of the Turkish President Celal Bayar to Rome from 8 to 10 June 1959), Turkey and Italy not only established ties of deep friendship, but followed the same policy of peace and security in the world and in the Mediterranean.

Having overcome this obstacle, the exploratory talks between Turkey and the EEC began in 1959 and ended in May 1960 when the council invited the committee to undertake actual negotiations for association on the basis of the draft agreement presented in March. But these negotiations, scheduled for June, were postponed following the military coup d'etat in Turkey on 27 May 1960 which saw the Democratic Party outlawed and, after a short time, the return of power of Inonu and the PRP. The new government remained faithful to the military alliances signed by Turkey (NATO and CENTO), but demonstrated a certain willingness to deal with the Arab world and the USSR. Regarding EEC, in October it disclosed its intention to resume negotiations, and this became possible only in April 1961. In fact, negotiations began in October 1961 and ended on 25 June 1963, after which, during a visit to Rome (18 to 20 March 1963), Turkish Foreign Minister Feridun Cemal Erkin resolved the problem of Turkish agricultural products that competed with Italian products with his colleagues Attilio Piccioni and with ministers of industry and agriculture, Emilio Colombo and Mariano Rumor. The membership agreement--to which were attached a temporary protocol and a financial protocol--was thus signed at Ankara on 12 September 1963.

The agreement of association had as its objective to promote the continued and balanced strengthening of commercial and economic relations between Turkey and the EEC, fully taking into account the need to insure accelerated development of the Turkish economy and the increase in employment and living standards of the Turkish people. In order to achieve this objective, the most appropriate instrument was the customs union between Turkey and the EEC, but since the former was not able to immediately assume the strict commitments that the customs union demanded without risking compromising the economic recovery effort started several years before, the agreement provided for a gradual approach to the achievement of the final objective, a gradual approach which was spelled out in three phases: Preparatory, transitional, definitive.

During the preparatory phase, Turkey was to strengthen its economy with the aid of EEC in view of assumption of obligations provided in the transitional and definitive phases. The modalities of application relative to the preparatory phase and to EEC aid were defined in the temporary protocol and in the financial protocol. According to the temporary protocol, the preparatory phase was to last 5 years, which could be extended an additional 4 years and even more at the discretion of the membership council. In the course of this phase, EEC was also to support the increase of Turkish income deriving from exports, extending preferential commercial support in the form of contingent annual tariffs for tobacco, dried grapes, dried figs and nuts (these products constitute the majority of Turkish agricultural exports). The financial protocol established that for the 5 years of the preparatory phase, concession of aid to Turkey by the EEC through the European Investment Bank (EIB), totaling \$175 million was to be used in financing the first 5-year development plan from 1963 to 1967 inclusive.

During the transitional phase, Turkey and the EEC were to progressively establish the customs union and the harmonization of economic policies for the purpose of insuring that the relationship functioned well. The modalities of realization of this phase were not fixed, but the customs union in the sector of trade was to be achieved within 12 years, with some exceptions, for a reasonable period of time. For agricultural products, a special system was provided that would take into account the common agricultural policy of the EEC. Turkey would also harmonize its economic policy with that followed by the EEC in the sectors considered in the Treaty of Rome, particularly in regard to free movement of workers, freedom of establishment and provision of services, of the policies of transportation, of competition, of economic policy.

The final phase, the definitive phase, was based on the customs union achieved during the transitional phase and involved increasingly closer coordination of the economic policies of the two sides. This phase, therefore, would represent the conclusion of a process of integration of Turkey into the EEC within the framework of association. The agreement, however, provided for a further step forward: The admission of Turkey to [full membership in] the EEC, when it was able, through assumption of all obligations of the Treaty of Rome.

Association with the EEC

On the institutional level, the agreement involved the creation of a Council of Association, aided by a Committee of Association, and by a Parliamentary Committee of Association. The Council of Association was composed of members of the Turkish government, on the one hand, and members of the six governments, of the Council and of the Committee of the EEC, on the other, each of the two parties having one vote. The Council of Association, which functioned unanimously, had the power to decide in cases considered in the agreement, to formulate recommendations, to resolve controversies, or to submit them to the judgment of the European Community Court of Justice. During the transitional and definitive phases, the controversies, if not solved according to procedures provided, were to be submitted to an arbitration tribunal whose composition was to be established on such occasions. The Committee of Association aided the Council of Association in carrying out its tasks, prepared its deliberations, insured the continuity of cooperation necessary to the proper functioning of the agreement. The Parliamentary Committee of Association, created on 23 July 1965 by the Association Council, was composed of 15 (now 18) Turkish deputies and of an equal number from the European Parliament. It exercised parliamentary control by discussing and approving the annual report presented by the Council of Association and formulating recommendations on the progress of the association.

The association agreement took effect on 1 December 1964, when new tendencies in Turkish foreign policy began to develop. The [Turkish] choice of the West was certainly not placed in doubt by the fact that during 1963 the United States withdrew Jupiter missiles from Turkish territory (it was simply a logical consequence of the fact that now the Americans also had intercontinental missiles); with the opening of the question of Cyprus in November 1963, however, Turkey looked more attentively at the Afro-Asiatic nations and resumed contacts with the USSR. From 30 October to 6 November 1964, in fact, Foreign Minister Erkin visited Moscow at which time a cultural agreement was signed and the decision was made to increase trade. Then, the visit to Ankara (4 to 13 January 1965) by Nikolai Podgorny, member of the Supreme Soviet Presidium, coincided with the Turkish decision not to participate, for financial reasons, in the NATO Multilateral Nuclear Force (MLF). Fearing that Turkey was about to abandon the West to return to neutralism or to ally itself with the USSR--something it could not accept for strategic reasons--the United States decided to intervene immediately with strong diplomatic pressure. The resignation of the Inonu government followed and a government was formed headed by independent Suat Hayri Uygur but supported by parties of the right, particularly the Justice Party, heir of the Democratic Party, which assumed the vice premiership through its leader, Suleyman Demirel.

Despite American intervention Turkish foreign policy did not change. Presenting his program to Parliament on 26 February 1965, Uygur repeated that Turkish security was guaranteed by its membership in certain international groupings; he added that NATO continued to occupy a post of

primary importance to maintain world peace, but he explained that Turkish participation in it could not be unilateral. He reviewed Ataturk's national independence policy which must be based on good relations with neighboring nations (the USSR), on cooperation with Afro-Asiatic and Latin American nations, and on defense of Turkish minority rights in Cyprus. It was precisely the growing tension of the Cyprus question that was given as the reason why Turkish foreign policy did not change. Thus rapprochement with the USSR continued: From 17 to 22 May 1965, Soviet Foreign Minister Andrei Gromyko visited Ankara and from 9 to 16 August of the same year Urguplu went to Moscow. These visits led to an increase of trade and economic cooperation (and this also with Bulgaria, Czechoslovakia and Romania), but above all to support of the policy of peaceful coexistence on the basis of reciprocal noninterference in internal affairs.

The new Demirel government, which emerged victorious from the elections of 11 October 1965, and was formed on 3 November, also remained faithful to this line. For Demirel, in fact, Turkey had to remain tied to the United States and to Europe through NATO, CENTO and association with the EEC, but at the same time it had to continue to follow a good-neighbor policy with the USSR and the East European nations, and to cooperate on the political and economic level with the Arab states of the Middle East and of the Magreb, as well as with the independent African states. Certainly, the Turkish government was not insensitive to pressures for renewal of NATO [ties] advanced by De Gaulle during 1965. However, when in March 1966 France withdrew from NATO, it was very careful not to follow the example. Rather, with the exchange of visits by foreign ministers Amintore Fanfani and Isahak Sabri Caglayanil (Ankara, 15 to 20 July 1966; Rome, from 2 to 5 February 1967), Turkey and Italy repeated their conviction that the Atlantic Alliance constituted an essential element for the maintenance of peace and security in Europe and in the world, and that its effectiveness depended on military integration, above all in the southern sector. Regarding Turkish economic relations with Europe, they had to grow closer within the framework of association with the EEC.

At this time the true problem of Turkish foreign policy was not so much NATO as relations with the United States and, as a consequence, the status of American bases in Turkey. In January 1967, following the continuing pressure of Turkish public opinion, negotiations finally began for the revision of bilateral treaties concerning the bases. Two years were to be required--and during that time there were talks between the two presidents, Cevdet Sunay and Lyndon Johnson, (Washington, 4-5 April 1967), but also violent demonstrations against Americans in Turkey--from the ambassador to the Sixth Fleet--ending on 3 July 1969 with the signature at Ankara of the agreement that radically changed the treaties, removing U.S. control of the bases and putting them under Turkish sovereignty. In the meantime, however, Turkey continued its policy of alliance with the West and of good neighbor with the USSR. In fact, in September 1967 it accepted the laying of NATO atomic mines on its territory on the frontier with the USSR and at the same time (Demirel's visit to Moscow 18-29 September 1967) accepted

Soviet economic aid for its development plans while rejecting the proposal of a nonaggression pact between the two nations. The reason for Turkish caution toward the USSR--which was confirmed later by President Sunay in the course of his visit to Moscow (12-21 November 1969)--resided in the fact that following the "Six-day War" between Egypt and Israel (June 1967), the Soviet Fleet was now in the Mediterranean. The Soviet invasion of Czechoslovakia in August 1968 then reemphasized for Turkey the need for Western military protection. As Demirel, in fact, told De Gaulle (in Turkey from 25 to 30 October 1968), participation in a collective defense system does not attack the sovereignty of a nation.

For Turkey, the problem of association with EEC followed, in order of importance, immediately after that of American bases. Encouraged by Italian consensus (Italo-Turkish talks of July 1966 and February 1967), Demirel asked the Council of Association on 16 May 1967 to move the association from the preparatory to the transitional phase and this for economic, but above all political reasons, that is, in order to achieve EEC membership as early as possible. On 9 October 1967, the Council of Association approved the move and on 9 December 1968 took formal action on the request, together with another decision on the new financial protocol. This decision was based both on the favorable results of the first 4 years of association in the trade sector and in that of financial aid, as well as on the economic progress achieved by Turkey (modernization, reconversion and development of the industrial apparatus) which permitted it to positively deal with obligations prescribed in the transitional phase.

In February 1969, the Association Committee began to draft an additional protocol on the association agreement in which conditions, modalities and the schedule of implementation of the transitional phase were to be fixed. It was not an easy negotiation because there were profound differences among the six and in Turkey itself concerning the passage to the transitional phase. In fact, the six did not agree on concessions to be made to Turkey and on reciprocity. In Turkey, then, the economics minister and the planning agency feared, unlike the foreign minister, that the liberalization of its bilateral bases would damage the Turkish economy. To justify these fears they pointed to the reduced rate of increase in the gross national product [GNP] (5.7 percent annually) compared with forecasts of the second 5-year plan from 1968 to 1972 (7 percent). Much time was to pass--and even a decisive Italian intervention with visits to Ankara first by Prime Minister Mariano Rumor (5-8 June 1969) and later with Foreign Minister Aldo Moro (29-30 April 1970)--in order to overcome the differences and on 23 November 1970 the signing of the additional protocol and the second financial protocol.

The additional protocol contained provisions concerning the industrial, agricultural, social, plant rights, services, transportation, economic policy rapprochement sectors. The most important provisions, however, were those of the first three sectors. In the industrial sector, the EEC immediately abolished customs duties and taxes on imports from Turkey.

There were only two exceptions related to three textile products (cotton thread, cotton textiles, machine-made carpets), for which customs duties would be lifted in 12 years, and petroleum products for which an annual duty-free contingency of 200,000 tons existed. Turkey was to lift customs duties in 12 years on 55 percent of imports from EEC and in 22 years for the remaining 45 percent; it was to abolish contingent duties in 22 years and adopt the external tariff common in the EEC in a period from 12 to 22 years. In the agricultural sector, considering common agricultural policy, it was expected that an ad hoc system which would extend a 92-percent preference to Turkish exports with the final objective remaining, at the end of 22 years of the transitional phase, free circulation of agricultural products between Turkey and the EEC. In the social sector--which continued to be important considering that at the end of 1969 there were 270,000 Turkish workers in EEC countries--the free circulation of workers was to begin in 1976 and this was to be achieved gradually by 1986 (that is, between the end of the 12th and the 22nd year of the effective date, in 1964, of the association agreement) according to modalities established by the Association Council. In the meantime, the member nations of EEC were committed to grant Turkish workers nondiscriminatory treatment as compared with Community workers both in regard to work conditions and pay, and a new, more favorable regulation of social security benefits (family allowances, pensions, insurance and health benefits). Regarding the second financial protocol, it provided for giving Turkey by 23 May 1976 aid totaling 195 million units of account and European bank loans totaling 25 million units).

In order to become effective, the additional protocol had to be ratified by the parliaments of the six nations and that of Turkey. Following the military coup d'etat of 12 March 1971 against Demirel and the Justice Party, the exchange of ratifications took place only on 29 December 1972 and the additional protocol became effective on 1 January 1973. In the meantime, however, an interim agreement was signed on 27 July 1971 and became effective on 1 September 1971. Thanks to this, the EEC decided on earlier application to Turkey of the provisions of the additional protocol on the abolition of customs duties and contingent taxes (duty-free provisions for Turkish industrial exports, except that for petroleum and the three textile products mentioned above, and for 92 percent of agricultural exports), while Turkey reduced by 10 and 5 percent the customs on industrial imports from EEC. The EEC also granted, on 1 July 1971, a preferential tariff for the importation of certain products of Turkish fisheries and, on 1 January 1972, a preferential tariff on importation of Turkish wines. At this time, there was a single point of difference between the two parties: The system of generalized preferences that the EEC introduced on 1 July 1971 in regard to finished and semifinished industrial products and processed agricultural products of developing nations. Turkey, in fact, asked that it also be a beneficiary of this system, but it ran up against an EEC refusal since under the association agreement it already enjoyed greater advantages. However, after talks in Rome between foreign ministers Aldo Moro and Haluk Bayulken (17 February 1972), EEC made some further concessions regarding the interim agreement for cotton thread and other cotton textiles and for certain agricultural products.

When the additional protocol became effective on 1 January 1973, the transitional phase of association between Turkey and the EEC began. That is, the progressive implementation of the customs union began as did the rapprochement of the economic policies designed to make the association function in preparation for membership. On 1 January 1973 Great Britain, Ireland and Denmark also joined EEC. On 30 June 1973, a complementary protocol to the association agreement was signed at Ankara which regulated the removal of customs duties between Turkey and those three nations and which provided for the concession to the former of 47 million account units within the framework of the second financial protocol.

During 1973, it seemed, therefore, that everything was going well in relations between Turkey and the EEC. In reality, the situation was quite different. Turkey made too many concessions while EEC showed it was too greedy. The result was a worsening in the terms of trade to the detriment of Turkey and this led to the Turkish request to end that situation as soon as possible. In effect, on 1 January 1974, within the framework of the first agricultural reexamination, the EEC made other concessions to Turkish agricultural products. But these concessions did not satisfy the new government of Bulent Ecevit and of the PRP, [People's Republican Party] which was victorious in the 14 October 1973 elections. That government asked for a revision of the association to protect industry and to favor Turkish exports. Thus relations between the two parties entered into a period of tension which gradually increased and which at the beginning of 1977 culminated--despite certain small steps taken in the meantime--in what in effect was a rupture of the association.

There were various causes for the rupture. They are: The alarming deficit in the Turkish trade balance with the EEC; delays with which the EEC applied regulations in favor of Turkey in the agriculture and social sectors; in EEC association agreements with nations of the Mediterranean (Spain, Portugal, Lebanon, Israel, Malta, Algeria, Tunisia, Morocco, Cyprus, Egypt, Syria, Jordan) which made meaningless the commercial preferences accorded Turkey; in the fear that enlargement of the EEC from 9 to 12--with the admission of Greece, Spain and Portugal--would further unbalance association conditions. These causes continued to exist despite agreements reached on 20 December 1976 by the Council of Association (which since that time met only once, on 16 March 1979) on a first milestone of 4 years beginning 1 December 1976 for the free circulation of Turkish workers in EEC nations, on new concessions for Turkish products within the framework of the second agricultural reexamination and on the third financial protocol (signed 12 May 1977 with an expiration date of 31 October 1981 providing for aid of 310 million account units but which became effective, as we shall see, only on 1 May 1979).

Logically, therefore, Turkey insisted that its industrialization efforts be aided and protected, that it be accorded advantages granted by EEC to other associates, that the community reject admission of Greece in order to avoid making the regulation of the Greek-Turkish contention more difficult (we shall return to this point later), because in the final analysis, the Nine concretely demonstrated they also wanted to associate it politically within

the framework of political cooperation existing among them since 1970. These were the demands that Prime Minister Ecevit, who returned to the government on 5 January 1978, presented to Bonn (10-12 May), to London (15-18 May) and at Brussels (talks with Committee President Roy Jenkins on 25 May and the government's October memorandum), meeting with a certain understanding. In fact, later Jenkins sent the nine governments a letter in which he emphasized Turkey's difficulties and the EEC responsibilities. According to Jenkins, the political inspiration and fundamental objectives of the association agreement remained valid. For these reasons, the EEC must be ready to accept Turkey's demands for protection of its developing industries, temporary control of imports, postponement of the customs abolitions for certain industrial products, a more flexible application of measures provided for in the additional protocol for Turkish products as regards developing nations. Jenkins thought the aim to be achieved was that of greater cooperation, rather, of complementarity between Turkey and EEC.

The nine foreign ministers examined this letter informally in the Brussels Council of Europe session of 4-5 December 1978. They expressed the desire to advance European solidarity and to implement all possible measures concerning the Community plan, but they recalled that EEC's possibilities were not unlimited and that the Turkish problem must also be seen within a broader framework, that of the West. In reality, Europe unfortunately was withdrawing politically from the geographical area in which Turkey existed and which instead was increasingly subject to American influence.

Relations with the United States

In fact, it was time to resume examination of Turkish-American relations. With the agreement of 3 July 1969 on the bases, there no longer existed, for the time being, a conflict between Turkey and the United States. The prime minister of the government of national unity formed after the military coup of 12 March 1971, the independent Nihat Erim, resolutely rejected, in a LE MONDE (24 April 1971) interview, any idea of nonalignment and reaffirmed the validity of the Western choice as a means of guaranteeing the security of his country. Erim confirmed this political line in talks he had with President Richard Nixon at Washington from 19 to 23 March 1972, but at the same time he signed with the USSR, on the occasion of the visit to Turkey of the President of the Supreme Presidium Nikolai Podgorny (11-17 April 1972), a statement concerning the principles of good neighborliness. The new fact in Turkish-American relations appeared with the Yom Kippur War (6-25 October 1973) and with Ecevit's return to power. The new war between the Arabs and the Israelis in fact demonstrated, with Nixon's unilateral decision of 25 October to put the American defense and even nuclear system in a state of alert on 25 October, that NATO did not exist as an alliance and that, above all, the risk of an atomic conflict on the territory it covered was not at all to be excluded. This observation led to the Ecevit government's decision to review its foreign policy. Turkey remained in NATO, but it would not completely rely on it because it did not want to be implicated in local conflicts which did not concern it and in which some

members of the alliance risked becoming involved, and because in certain conflicts NATO might abandon it. Furthermore, according to Ecevit, because of the effect of the agreements of June 1973 between the United States and the USSR on the prevention of nuclear war, NATO would no longer have even a guarantee of this kind.

However, an event of apparently minor political importance--the Turkish invasion of Cyprus in July 1974--caused a break in relations between Ankara and Washington. With the military invasion of Cyprus, Turkey reacted to the coup d'etat of the Greek-Cypriot right against Archbishop Makarios, president of the Cyprus Republic, and to the attempt at enosis with Greece, but the consequence was the breaking of relations even with Athens. These relations, furthermore, had already been tense since the beginning of 1974 due to the controversy over the limitation of territorial waters (or of the continental platform) in the Aegean Sea. Greece, in fact, asked for the extension of these waters to 12 miles in order to make of them a Hellenic lake; Turkey limited itself to 6 miles but maintained that the Aegean Sea could not be dissociated from the Anatolian highland. The true reason for the conflict was that the sea contained large amounts of petroleum.

We have said that the Cyprus invasion led to a rupture between Turkey and the United States. The American Congress, in fact, imposed an embargo on supplies of arms to Turkey and the latter replied by halting negotiations on the renewal of bases and canceling Secretary of State Henry Kissinger's visit. The decision of Congress, taken as a result of pressures by the Greek lobby, was based on the fact that Turkey, employing American weapons available to it without Washington's agreement, had violated the bilateral treaties and plans to force a solution to the Cypriot question with withdrawal of Turkish troops and thus favor the return of Greece to NATO from which it withdrew immediately in the summer of 1974. The Turkish government (the prime minister once again was Demirel) believed that the U.S. embargo violated bilateral agreements and, therefore, on 18 June 1975 in a formal note requested the beginning of negotiations to determine the status of American bases. President Gerald Ford and Secretary of State Kissinger accepted this request with the hope that a solution of the problem of the bases also would help resolve that of military supplies. In fact, Ford and Kissinger, who saw the problem of Turkish-American relations only from the strategic point of view, considered participation of Turkey in the alliance and the bases on Turkish territory vital for U.S. security and they favored lifting the embargo. Thus negotiations began in August 1975 and concluded on 26 March 1976 with the signature at Washington of a treaty of defense, assistance and cooperation which regulated the status of the 26 bases. In fact, Turkey made these bases available to NATO and no longer only to the United States. They were under Turkish command and administration. The United States paid \$1 billion in rent and offered a credit of \$1.3 billion over 4 years for the purchase of arms.

However, this treaty remained a piece of paper without any value because Ford and Kissinger did not present it to Congress for ratification, fearing a defeat which would have been disastrous on the eve of presidential elections. Then, in January 1977, Turkey immediately threatened the new Carter administration with the closing of the bases and withdrawal from NATO. It was a threat that could not be underestimated considering that just barely 2 months earlier, on 12 November 1976, Turkey received from the USSR, according to agreements concluded at Ankara by Prime Minister Alexei Kosygin in December 1975, credits totaling \$1.5 billion and expected additional credits totaling \$5 billion to complete projects of economic cooperation. The USSR diplomatic offensive toward Turkey continued in March 1977 with signature of another economic cooperation agreement for loans totaling \$1.2 billion and with the announcement of the coming conclusion of a political agreement on friendly relations between the two countries. As we have already said, this was the USSR's true objective: A nonaggression pact. But the Demirel government did not actually intend to go so far. In fact, in a NEWSWEEK interview (21 November 1977), Demirel repeated that Turkey had no intention of withdrawing from NATO or of developing closer relations with the USSR: It was a faithful ally of the United States which ought for that reason even lift the embargo in order to favor a Cyprus solution.

From Demirel to Ecevit and Back to Demirel

At the end of 1977, however, Demirel had to resign and on 5 January 1978 Ecevit returned to power. Explaining the new government's foreign policy, he claimed for Turkey its historical and geographical role in the Middle East, in the Mediterranean and in the Balkans and closer relations of solidarity and cooperation with developing nations. Ecevit did not denounce ties with NATO but, clearly referring to the American embargo, he emphasized that the defense of Turkey could no longer depend on the decision or indecision of other nations, even only one nation. The Washington government got the hint and seizing on the occasion of an improvement in Greek-Turkish relations (the two prime ministers, Karamanlis and Ecevit, met at Montreux on 10 and 11 March 1978), declared itself ready to resume the dialog. In fact, in a message that was sent to Ecevit on 29 March by Under Secretary of State Warren Christopher, President Carter showed his intention of improving relations between the two nations and resuming economic and military aid. Then on 6 April, Carter proposed to Congress the lifting of the embargo and granting of credits to Turkey totaling \$225 million in 1979 (\$175 million for the purchase of arms and \$50 million for economic development) without tying these acts to the Turkish commitment to resolve the Cypriot controversy and to reopen bases to the Americans.

However, the Carter proposal was rejected by the Foreign Relations Committee of the Senate where the Greek lobby was still too strong. Certainly Ecevit could count on the aid of Germany (on 12 May Chancellor Schmidt granted DM 100 million for military and economic aid)--as well as on the aid of France and of Italy--but it was a hard blow for him. This was the source of his reservations: at the Atlantic Summit of 30-31 May at Washington on

the NATO defense program for the 1980s, he would subordinate Turkey's participation dependent on sufficient support by its allies and the end of the embargo. Simultaneously Ecevit resumed contacts with the nonaligned world (visit to Belgrade, 14-16 April) and with the communist world (visit to Sofia, 4-6 May; visit to Moscow, 21-25 June). In the Soviet capital, he signed a document on friendly and good neighborly principles which went beyond that of April 1972 because it explicitly emphasized the commitment to avoid resorting to force and not allowing its territory to be made available for aggression. Ecevit also signed a 2-year agreement on cultural and scientific exchange and an agreement on the delimitation of the continental platform of the Black Sea (6 miles), and discussed a 3-year economic agreement which provided for a considerable increase in trade and a supply of Russian petroleum totaling 3 million tons per year.

Even though it was not a matter of disruption of the alliances--Soviet economic aid was not tied to Turkish political concessions--the closer relations between Turkey and the USSR let the American government and Congress understand that there was no time to lose. In any case, the five former NATO commanders--generals Goodpaster, Grunther, Lemnitzer, Norstad and Ridgway--had already arrived at that conclusion. In a letter they sent at the end of May to the heads of state or governments of the Atlantic Alliance they insisted on the need to lift the embargo, recalling the vital importance of Turkey for the collective security of the West (control of access to the Mediterranean by the Soviet Black Sea Fleet, a system of alarm for the Sixth Fleet, missile and air bases, the considerable contribution of the Turkish Army) at a time when Soviet pressure was increasing in southeast Europe and in the Middle East. Thus on 25 July the Senate, and on 1 August the House of Representatives, revoked the embargo and set the sum of military aid at \$175 million both for Turkey and Greece. In a statement, Carter defined this decision as a fundamental step to strengthen the NATO southern flank which was--he also repeated--of vital importance for the Atlantic Alliance and for the United States. Carter added that this would make it possible within a short period of time to reopen American bases in Turkey and would favor the reestablishment of peace and security in the eastern Mediterranean and on Cyprus.

The end of the embargo seemed to be the first step in reinserting Turkey into the Western sphere. However, this first step was not followed by others. The Turkish political-economic situation deteriorated gradually from August to December: The terrorist campaign unleashed by the nationalist, reactionary and frantically Islamic extreme right led the government at the end of the year to decree a state of siege (which is still in force). The GNP decreased by 4 percent in 1977 and by 2.7 percent in 1978. Inflation rose by 60 percent and unemployment by 20 percent of the working population. The foreign debt totaled \$15 billion, the trade deficit totaled \$4 billion, and the balance of payments deficit \$3.1 billion. Industry was working at 50 percent of capacity and the "green revolution" was stalled. To all this was added the revolution in Iran which, added to the events in Afghanistan and in the Horn of Africa, pushed Turkey's strategic importance once more

to the forefront. It was now the only bastion against Soviet expansion toward one of the world's most sensitive regions, the Arabian peninsula.

It was for this collection of reasons that in the meeting at Guadalupe (4-6 January 1979) Giscard, Carter, Callaghan and Schmidt decided, as a result of pressure by the German chancellor, to grant considerable economic aid to Turkey. The aid would come from two sources: EEC and the IMF. But despite the proposals by the committee on 14 February 1979, the EEC aid was not such as to excite great enthusiasm: It was only provided for in the third financial protocol which for 1979 provided for 85 million account units (to this small amount of economic aid was to be added later a new and important impediment resulting from the signing of the treaty granting Greece membership in the EEC). Regarding IMF aid it was tied to very stringent conditions. Thus on 8 March in a press conference Ecevit threatened a change in Turkey's foreign economic, and therefore political, relations. But this threat was soon blunted. Certainly, the USSR was disposed to help Turkey but at a precise political price: The cessation of alliance or, at the very least, nonalignment. Now, even Ecevit was not willing to pay this price. On 1 April he took a first series of steps to improve the economic situation and on 11 June he devalued the lira by 43 percent. On 2 July, in a letter of intent to the IMF, the Turkish government committed itself to drastically cut public expenditures, revamp its development plans, remove barriers to multinational companies and increase prices on consumer products (gasoline, alcohol). Even Demirel called these measures a capitulation to the West. But it was a necessary capitulation to really obtain indispensable aid to emerge from the crisis. In fact, as Ecevit had said in a LE MONDE interview (10 May 1977), all Turkish exports barely served to pay for the import of petroleum. Thus, finally, on 12 July the IMF opened a credit for Turkey totaling \$1.5 billion.

Ecevit was not satisfied with the West's economic support. In byelections held on 14 October, the PRP retained a relative majority in the Chamber but lost it in the Senate. Ecevit resigned and on 25 October Demirel and the Justice Party returned to the government. This return did not change the terms of the Turkish political and social situation: The terrorism continued so much so that on 2 January 1980 Defense Chief of Staff Gen Kenan Evren, in a letter to the president of the republic, invited the government and constitutional institutions to unite to protect the country from the danger threatening it, and that is from terrorism, anarchy and separatism. But the true reason for General Evren's letter was something else. The Soviet invasion of Afghanistan (27 December 1979), which followed the new Iranian crisis (the American hostages), once more very clearly posed Turkey's strategic role. The Turkish generals wanted to keep their country in the Western sphere and the Americans were now willing to pay the necessary price. Thus on 9 January 1980, after a year of negotiation, Turkey and the United States signed a new defensive cooperation agreement which restored to the Americans the use of the 26 bases against payment of \$1 billion per year for 5 years. The United States objective was to repair the alliances of the area

(CENTO fell apart in March 1979 following the Iranian revolution). This is the mission that was entrusted to the British Foreign Minister, Lord Carrington, who visited Turkey, Oman, Saudi Arabia, Pakistan and India from 10 to 17 January. Carrington promised Turkey new economic and military aid, but Demirel was very cautious, refusing to associate himself with economic sanctions against the USSR. The fact is that Turkish national interests--whether for the Ecevit or Demirel government--are tied to the alliance with the West but also with good relations with the East.

6034

CSO: 4404

A. P. DE GEUS NAMED NEW DEFENSE MINISTER

Rotterdam NRC HANDELSBLAD in Dutch 15 Aug 80 p 1

[Text] At the end of this month P. B. R. de Geus, director general for economic and financial affairs in the Ministry of Defense, will become the new minister of defense.

Pieter de Geus, 51 years of age and CHU [Christian Historic Union] member, will replace his fellow party member W. Scholten, who has been appointed deputy-president of the Council of State.

De Geus was the only candidate presented this week by the CDA faction leader Lubbers to Prime Minister Van Agt. De Geus considers himself a "mental extension" of Scholten. It is said that he also shares Scholten's opinion on problems concerning nuclear weapons.

Yesterday, during his weekly press conference, Van Agt said that the short period the cabinet will still remain in power was decisive in the selection of De Geus. "He does not need an introductory or familiarization period. He can immediately assume control over current affairs," according to Van Agt.

Temporary Replacement

Van Agt announced yesterday that De Geus will be placed on nonactivity as director general. This means that he can return to his old job in the department after a short spell as minister of defense.

The new minister of defense has a political background of modest proportions. For 10 years he was a member of the Rijnmondraad [Rhine Estuary Council], he is still CDA faction leader in the municipal council of Maassluis where he lives, and he is a member of the CHU Union Council.

In national politics his name was already mentioned in 1977 at the formation of the Van Agt cabinet in connection with the job of secretary general of defense.

De Geus hails from Rotterdam, where he studied industrial economics at the economic university. He was drafted as a naval officer and in 1976 he joined the directorate general of economics and finance of the Ministry of Defense. He has been director general since 1977.

10319

CSO: 3105

CHINA TURNS DOWN OFFER OF CREDITS

Rotterdam NRC HANDELSBLAD in Dutch 15 Aug 80 p 1

[Text] For the time being China will not accept the offer of a number of Dutch banks and other financial institutes of a high-level financing agreement for export projects worth 500 million guilders.

Over the past months several representatives of Dutch banks have been looking into the possibility of such an agreement with China. Although the Chinese expressed interest they emphasized at the same time that their government is working on an economic program of adjustment with a need for new priorities. The inevitable conclusion was that the matter had to be postponed.

According to a spokesman of the Amro Bank which, in cooperation with the ABN [Agemene Bank Nederland], took the initiative towards opening up trade with China, postponement does not necessarily mean cancellation. He believes: "We have only hit the brakes for a short moment."

The above-mentioned high-level agreement is meant to simplify financing of export projects. In this case it concerned a great number of small projects, especially in agriculture (construction of hothouses, etc.). The arrangements were not supposed to be too different from existing export financing arrangements, but execution within the framework of a high-level agreement is often simpler.

Many nations already have agreements of this kind with China. The Netherlands is already a bit late. Towards the end of last year the matter was put in motion by ABN top man Dr A. Batenburg during a tour of China; however, he also represented the Amro Bank.

10319

CSO: 3105

KVP ASKS FOR MEASURES AGAINST DISSIDENTS

Rotterdam NRC HANDELSBLAD in Dutch 16 Aug 80 p 1

[Text] The KVP [Catholic People's Party] leadership is threatening to take action against Second Chamber member S. Dijkman who was the only KVP member to support a vote of censure against the cabinet during the debate on the oil boycott against South Africa. The KVP leadership exhorted Dijkman twice to justify his action in writing.

One member of the KVP management board even proposed expelling Dijkman because of his voting record, but the leadership did not want to take such drastic action. There is definitely a chance that Dijkman will be placed so far down on the list of candidates for reelection that he will not be reelected.

On 27 June the cabinet survived by 74 to 72 votes a vote of censure introduced by the PvdA [Labor Party] after it refused to act on an adopted motion regarding the oil boycott against South Africa. Six members of the CDA faction supported the vote of censure; five ARP [Antirevolutionary Party] members and Dijkman of the KVP, who has been one of the so-called dissidents since the cabinet's beginning.

So far Dijkman has refused to explain his vote to the party leadership. In a letter to the management he asks why he should explain his action, whereas colleagues who did not vote dissenting are not obliged to explain their action.

Next Wednesday the CDA will devote a special meeting to the controversy which emerged since the vote of censure.

KVP Chamber member Van den Broek writes in an article in yesterday's issue of the newspaper TROUW that the conduct of the six dissidents "dealt a heavy, if not irreparable, blow to mutual trust within the CDA faction." He urges a change in the faction regulations to prevent dissident votes by a minority in important matters.

10310

CNO: 3105

MARKET PRICES ARE RAPIDLY RISING

Amsterdam ELSEVIERS WEEKBLAD in Dutch 16 Aug 80 p 7

[Article by Piet Goosen: "Nobody Can Maintain Purchasing Power: Prices Are Going Up too Fast].

[Text] In spite of the magic formulas of several government officials price increases between 15 June and 15 July make it very clear that hardly anybody's purchasing power will be safe this year. Not for higher incomes, not medium incomes of about 33,000.00 guilders, as it should be under the present economic circumstances, and not for the lowest incomes either, for persons with minimum wages or on social assistance. This is an embarrassing defeat for the government whose banner still proclaims that it intends to maintain the purchasing power of persons with the lowest incomes. Let us face it, prices of goods and services are one of many categories the government cannot control.

Between 15 June and 15 July prices increased 0.9 percent. Such a sharp increase has not occurred in the last few years of this sellout to inflation: last year it was 0.4 percent, in 1975 0.75 percent, in 1977 0 percent, and in 1976 even a decrease of 0.4 percent.

Prices between 15 June and 15 July actually increased sharply by 1.7 percent, especially because of a 7.4 percent rent increase as of 1 July (effect on the government index of prices as compiled by the CBS [Central Bureau of Statistics] of 0.8 percent, and an increase in energy prices (only gas and electricity) of 6.9 percent in real terms (effect on the index of prices of 0.3 percent). Fortunately there were also price decreases: for fresh fruit and thanks to store sales: combined lowering effect 0.8 percent. However, this price-lowering effect of a minimum of 0.7 percent because of store sales disappears on 15 August....prices will therefore certainly go up again during the next probe of the CBS: in the past 4 years prices always went up between 15 July and 15 August from 0.4 to 0.9 percent. Moreover, as of 1 July Minister Van Aardenne made a small adjustment (more lenient) in his price policy for industry, commerce, and services; the result will certainly be noticeable on 15 August.

This year (since 15 December 1979) prices increased by 4.6 percent (official government figure for expenses of families of employed persons with gross incomes of less than 31,000.00 guilders per year). Based on figures of the Central Bureau of Planning the government is betting on a total price increase of 6 percent, its social and economic policies are more or less based on this figure, but it is daydreaming. Prices will go up much more than that.

Let us take a look at the last 4 years. In 1976 prices increased between 15 July and 15 December by 3.5 percent, in 1977 it was 1.7 percent, in 1978 1.4 percent, and in 1979 2.4 percent. Only if price changes are similar to those of the excellent year 1978 (when prices did not go up more than 4 percent over the entire year) a 1.4 percent increase for the balance of this year would barely achieve the goal of 6 percent. However, it would be more realistic to expect a price increase of at least 2 to 2.5 percent for the remainder of this year. That would give us an inflation figure of 7 percent for this year.

Everybody

Because the government based its zero loss of purchasing power for minimum wage earners and large groups of persons living on social benefits on the illusory 6-percent price increase (and the minimum for incomes above the minimum wage) it goes without saying that this year everybody will lose purchasing power: less for persons with small incomes but more for persons with higher earnings, unless the government makes a sharp adjustment, an event that does not appear to at all likely.

Based on the available figures minimum wage earners (minimum wages amount now to 1,863.05 guilders gross per month for a couple with two children; including child support and vacation allowance it is 1,683.06 net per month) will lose this year a full percentage point, or more than 18.00 guilders per month.

It is actually much worse. Wages which in turn determine the social minimums are not adjusted for price increases based on government index figures for family expenditures (normally speaking, this year is an exception), but on clean (admit it, politically selected) index figures which do not include rate changes (increases) in indirect taxes, subsidies, sales taxes on alcohol, tobacco, and gasoline, and employee contributions to health premiums, later on they will therefore not be used to adjust wages.

This was also behind the big trick with the value-added tax increase for natural gas at the beginning of the year: the value-added tax went up from 4 to 18 percent, the normal price index figure increased (partially because of it) by 0.5 percent, but the clean index figure went up only 0.2 percent. The wage compensation claim can therefore stay nice and low

(this year not allowed), but people will have to pay higher natural gas prices. Even the clean index figure went up 3.9 percent since 15 December 1979.

Calculations of the normal price index figures for family expenditures are also not too accurate. The Central Bureau of Statistics uses a UN definition of consumer prices (that is convenient for international comparisons because a lot of countries cooperate) but all kinds of charges people pay our government are not included, like municipal real estate taxes (sharply increased), dog licenses, cleaning licenses, but also things like passport fees and alimonies.

Lagging Behind

Finally, it is irritating for families that wages are only adjusted half a year after the price increases and that adjustments of minimum wages and minimum social benefit payments are not made until a half year after that; this means that they are lagging about a year behind price developments. Minimum wages and social benefits follow wage developments and not price developments, the "goal" of maintaining purchasing power can therefore easily be lost in the shuffle. As of 1 July 1980 Minister Albeda of Social Affairs based his wage measures (26.00 guilders per month and a tax reduction of 100.00 guilders on an annual basis) on his expectation that the gross adjustment of the minimum wage and the social benefits will be about 3 percent as a result of wage developments between 31 October 1979 and 30 April 1980 (moreover, he has postponed 1 percent to 1 January 1981, that portion will therefore be paid even later). This 3 percent is clearly not enough. Between 31 October 1979 and 30 April 1980 prices went up 3.8 percent and even the clean index figure increased 3.3. percent. Even with the wage and payment measures for minimum wage earners as of 1 July the purchasing power of the lowest paid persons is clearly adversely affected. The picture the government painted is much too rosy.

10319

CSO: 3105

SURINAME EX-PRESIDENT FERRIER TO SETTLE IN NETHERLANDS

Rotterdam NRC HANDELSBLAD in Dutch 15 Aug 80 p 4

[Article by Rudie Kagie: "Ferrier Feels Most at Home in the Netherlands]

[Text] The military who assumed power in Suriname 5 months ago admit it themselves: they actually staged an incomplete coup. Their coup was just an act of intervention, which only partially eliminated the old way of doing politics.

President Dr Johan Ferrier simply remained in his palace in Paramaribo as if nothing had happened. During the turbulent days in February of this year many people found that reassuring.

It was clearly a civilized revolution. Ferrier guaranteed that the Constitution and the Parliament remain in existence, making this his personal responsibility. He paid dearly for his efforts in this respect. From the sparse news from Suriname we learn that it apparently led to a hard confrontation between the governing powers.

It appears that Ferrier insisted that the coming budget of the republic be discussed in Parliament. When this demand was rejected the 70-year-old president resigned. Prime Minister Chin A Sen is his successor.

It is amazing that this took so long. From the moment the National Military Council (NMR) became a factor in the Suriname society the president's actions stirred up annoyance and criticism. Ferrier was blamed for lack of principles. As the highest government leader in the nation, how could he have accepted such a strong violation of the Constitution as the coup?

On 15 March the president announced an "amnesty law." It was meant to protect persons connected with the coup from prosecution. He stated as his opinion: "We have all seen how the people of Suriname reacted. They are prepared to accept these young persons back in our society."

It is understandable that the heroes of the revolution gnashed their teeth when they heard this. Their action was explained as a crime which should

be forgiven. From that moment on people began to whisper, talk and exclaim that it had been a mistake to exempt the president from the new order. Incidents kept piling up.

The day after the coup a presidential courier visited the members of the toppled Arron cabinet to inform them that their house arrest had ended as of that moment. The military knew nothing about it. They were furious about what they considered to be an attack on their responsibilities.

The house arrest remained in effect as before.

Old Fool

As time went on Ferrier became more and more a prisoner in his own palace. In circles connected with the Military Council he was derisively referred to as "that old fool" and "mouth-piece of the reaction." The president and the Parliament were symbols allowed to exist but not to function.

On 30 March Ferrier was allowed to make his last political statement in a television interview broadcast by the Avro. He encouraged his countrymen in the Netherlands to return to Suriname. Over a period of 2 years the president announced 3 times that he would soon resign. He made no secret of the fact that he would settle in the Netherlands--for a national leader supposed to set an example for his people an almost unforgivable plan.

On orders from the military Ferrier had to refrain from making public statements from 1 April on. His request to travel to Amsterdam to witness Queen Beatrix's coronation was denied. This must have offended him deeply. Ferrier prided himself on his good relations with the House of Orange.

During the past period there must have been moments when the head of state regretted staying in office. There was no longer a place for him in the new Suriname. His ties with the former mother country were too close. The demonstrations during Minister De Koning's visit to Suriname hurt him very much.

The president became the symbol of all the elements so strongly criticized in the new political situation. The Union Suriname which he helped found in the forties was a rightist political party. As prime minister he was accused of allowing the country to become subservient to the wishes of international big business under unfavorable conditions.

In the sixties he was president of Biliton Suriname, and in 1968 he began to represent the Kingdom of The Netherlands as governor of Suriname. He held that position till 1975, when independence was declared. The Dutch governor then became president of Suriname.

Strictly speaking this appointment was incorrect. The Suriname Constitution says that the president must be elected. Ferrier was repeatedly

criticized because of this. His critics blame him for lack of vigorous action in his presidency. Ferrier was charming in the fulfillment of his representative functions but he was not the "Father of the Nation" the young republic was waiting for. He acted too much like a governor in crisis situations. After the coup there was very little he was able to do in Suriname.

It is expected that the ex-president will soon settle in the Netherlands, as was his plan. In the mood of growing nationalism in this erstwhile part of the old realm, his emigration will certainly not be favorably received.

However, as long as the affairs in Suriname are following a course different from the one he would have preferred Ferrier probably feels more at home in the Netherlands.

10319

CSO: 3105

POLITICAL LEADERS FORMULATE CONSTITUTIONAL REFORM PROPOSALS

Background on Constitutional Reform

Lisbon EXPRESSO in Portuguese 23 Aug 80 p 3

[Text] Sa Carneiro has decided to put off until after the elections the dispute over the constitutional revision which recently broke out within the AD [Democratic Alliance]. In fact, he attached top priority to the preparation of a document containing general principles to be included in the Alliance's electoral program, from which it appears willing to withdraw the most controversial provisions.

As everyone is aware, the problem of the constitutional revision attracted the attention of the majority leaders about 3 weeks ago, when a legal advisor of the prime minister, Santana Lopes, announced a totally parliamentarist plan on behalf of the Social Democratic leader. The plan came as a surprise to most of the backers of the government coalition, while at the same time arousing the most serious misgivings on the part of the constitutionalists in this political area. The latter jurists continued to uphold a semipresidentialist system, and some went so far as to discuss a reinforcement of the president's powers.

Santana Lopes' proposal, in addition to curtailing the veto power of the head of state, stipulates that the government is answerable only to the Assembly. It should be recalled that, with regard to these two issues, the first text of the constitutional revision, submitted by Sa Carneiro in 1978, did not differ greatly from what was stipulated in the Constitution of 1976. The provision calling for the abolishment of the Council of the Revolution even implied a certain amount of increase in the president's authority.

Immediate Reactions

The negative reaction to the proposal of the prime minister's advisor (who had complete protection from the latter) was immediate.

Soares Carneiro, the parliamentary majority's candidate for Belem, was the first to feel the effects, making his displeasure clearly apparent.

Lucas Pires who, on behalf of the AD and with the backing of the leaders of the three parties, assigned a draft constitutional revision to some experts in Coimbra, promptly attempted to intensify the latter's efforts. At the same time, he requested an explanation of the matter from the heads of his party and from the PSD [Social Democratic Party] representatives on the AD's Permanent Council.

A Consensus Solution

In view of the situation, the three leaders of the Alliance decided that both proposals (from the Coimbra group and Sa Carneiro) should be merged, on the basis of maximum consensus.

Subsequently, it was established that both documents would be analyzed by the leaders, in collaboration with Lucas Pires and Soares Carneiro. After these five persons arrived at a mutual position, the resulting text would have to be approved by the three coalition parties. Later, it would be Freitas do Amaral's responsibility to prepare a document to be included in the electoral program.

The meeting of the five personages has been set for next Friday, the day on which Lucas Pires is to submit the Coimbra group's proposal.

Controversy in the PSD

Meanwhile, the controversy spread to the PSD itself.

The Social Democrats' Political Committee resolved to assign to certain party jurists the task of putting the finishing touches on the Santana Lopes draft. So, it appointed Marcelo Rebelo de Sousa and Margarida Salema (both constitutionalists in favor of semipresidentialism), as well as Julio Castro Caldas and Costa Andrade, to debate the matter with the prime ministers' advisor.

This group's first meeting took place last Monday. On that occasion, Santana Lopes notified the others that Sa Carneiro had assigned him another document, this time one containing general principles, to be included in the Alliance's electoral program. At the same time, he made it clear that the new document would not differ substantially, from a political standpoint, from the draft that he prepared.

Sa Carneiro was apparently playing another game of anticipation. He took advantage of the fact that the electoral committee considered 5 September too late for including the constitutional revision section in the program, preparing a text to his liking.

New Proposal From Sa Carneiro

The Social Democratic jurists met again last Thursday, reaching consensus on that occasion. The sections on which there was no agreement were simply withdrawn from Santana Lopes' document.

According to a source close to the prime minister, he is thereby attempting to postpone the argument until after the elections, at which time he will appear with a harder stance.

Yesterday, the text adopted by the PSD as a base in its program for the revision was sent by Sa Carneiro to Freitas do Amaral. In essence, it is intended to remove the ideological content from the Constitution. The guarantee for its being upheld would be judged only *a posteriori*, by a Constitutional Court in the case of fundamental documents, and by the common courts in other instances. However, no mention is made of the composition of the Constitutional Court, inasmuch as no agreement was reached on this matter. Furthermore, it does not call for the formation of an organ of consultation for the president which, with the Constitutional Committee, would replace the Council of the Revolution, since this was another point on which differences arose.

Another fundamental aspect left unresolved, owing to the disagreement, was related to the presidential veto.

The economic section was substantially changed, putting an end to everything directed toward socialism.

Economic, social and cultural rights were transferred from the draft constitution revision to the government program. Moreover, the workers' committees will no longer be included in the Constitution, with the stipulation that they be kept in the common laws.

The revision of the Constitution may be promoted only by an absolute majority, and it is acknowledged that the new text may be put to a referendum at the proposal of a third of the deputies. Standard revisions are called for at 5-year intervals, offering the possibility of their being made in advance, at the proposal of three fifths of the deputies.

Insofar as political organization is concerned, the president of the republic is prevented from dismissing a majority government. As a means of imposing conditions on the minority executive bodies, it is required that the programs be approved in the Assembly (up until now, there was only an attempt to preclude motions for censure).

It has become possible to resort to a referendum, either at the proposal of the governments or at the president's proposal.

The position of minister of the republic is abolished, his administrative functions being transferred to the government, and his political functions to the president of the republic.

Finally, the Hondt method is no longer compulsory in legislative elections.

Despite the fact that many important points have been omitted, this text does not run counter to the positions of most of the AD constitutionalists.

We have learned that, on the basis of it, Sa Carneiro has already asked Freitas do Amaral to prepare a final document within a week, to be included in the government program.

If this happens, the leaders' meeting with Soares Carneiro and Lucas Pires on 5 September will lose much of its significance.

The Coimbra Draft

However, the AD's general coordinator told us that its text has a minimal political content, and seeks, rather, to establish a working base in essentially technical terms.

The Coimbra draft is now well under way, after two meetings held this week by its authors (Barbosa de Melo, Cardoso da Costa and Vieira de Andrade), with the group's coordinator, Jose Luis Vilaca, and with Lucas Pires. Nevertheless, it will not be finished until a few more days.

It involves a rather extensive proposal, based on many grounds, which could serve as a working base during the parliamentary debates on the revision.

The document was divided into seven essential sections: fundamental principles, fundamental rights, economic organization, political organization, local authority and public administration, and constitutional guarantees. The first four sections have already been composed.

The text retains the semipresidentialist system of the present Constitution. Certain acts of the president of the republic will require compulsory opinions from a Council of the Republic which, however, will have merely consultative functions. The president will always have the authority to dismiss government and to retain veto powers. The pocket veto will be precluded, and deadlines are set for all promulgations.

Governments will be required to have majority backing from the Assembly for their programs.

The Council of the Revolution is eliminated, and its functions are distributed among the government and Assembly (legislation), the Council of the Republic (advice to the president) and a Constitutional Court (guarantee of the constitutionality of documents). The Constitutional Court, which would have a composition similar to that of the Constitutional Committee, will act only a posteriori, that is, after the documents have gone into effect.

Consensus Among Leaders

At next Friday's meeting, there is every indication that Sa Carneiro will offer to debate the details later, insisting on the inclusion of the Social Democrats' text in the government program. Of course, owing to pressure from their candidate for Belem and from Lucas Pires, it will be necessary to remove certain rulings from it, such as the one precluding the dismissal of majority governments. And the controversy is sure to break out more intensively after the elections.

Soares Carneiro Statement

Lisbon EXPRESSO in Portuguese 6 Sep 80 p 1

[Text] At the close of this edition, we received the following statement from General Soares Carneiro concerning the constitutional revision:

"The proliferation witnessed recently of positions assumed regarding the issue of the constitutional revision has assumed a speculative aspect. But, on the other hand, one can understand the emphasis on the part of the news media, since this is a matter of major importance, and it would be a good thing for the voters to be given a proper explanation of it. For my part, I thank EXPRESSO for giving me this opportunity to express my views, which are clearcut. And I hope that General Eanes and the other candidates, as well as the political forces backing them, will express themselves with the same clarity, eliminating the convenient generalities which allow for everything because they promise nothing.

"The explanations owed by a candidate for the presidency of the republic are not of the same type as those which the forces running in the legislative elections must give. I shall discuss only my views on the major aspects of revision, without going into detail. I have held candid talks with the leaders of the Democratic Alliance on this matter, noting a general convergence of opinion. One could not expect anything different: The concluding of a formal, detailed agreement, which no one wanted, would moreover, represent disrespect for the Assembly of the Republic to be elected.

"The guidelines which I think should inspire the forthcoming constitutional revision are:

"Maintenance, in essence, of the system of citizens' liberties and guarantees established in the Constitution of 1976, which constitute the indispensable basis for a Western-type democracy.

"A thorough transforamtion of the constitutional text, in order to remove from it the current ideological content of a Marxist, revolutionary stamp, and to convert it into an open constitution germane to a social state of law, but ceasing to require the 'construction of socialism,' and to

prevent the development of an economy and of a society similar to those of the other FEC countries.

"An improvement in the current semipresidentialist system, which will be achieved by lending it a transparent quality, accompanied by a simultaneous reinforcement of the president and the Assembly, but not with the downgrading of either at the expense of the other. A different kind of character must be given to the constitutional definition of the president of the republic, depicting him as also guaranteeing national independence and insuring the continuity of the state, as well as the regular operation of the institutions. Hence the feasibility of a power of referendum, of assistance from a State Council and of the possibility of presiding over the Council of Ministers, at his own initiative, with the government continuing its twofold dependence on the Assembly and the head of state. But, on the other hand, it seems wrong to me that the president may dismiss governments which have majority parliamentary backing, that the pocket veto is not banned and that the Constitution makes it extremely difficult, as it does at present, for the Assembly of the Republic to approve, upon a second reading, the texts which have been rejected by it.

"For the present, we can stop here, with these few examples. On the basis of the principle that politics is not a difficult art with institutional solidarity, it is possible in Portugal, and we are striving for it."

Summary of AD Proposals

Lisbon DIARIO DE NOTICIAS in Portuguese 10 Sep 80 p 3

[Text] According to a source from the Democratic Alliance, the PSD, CDS [Social Democratic Center Party] and PPM [Popular Monarchist Party] have reached agreement on a final text of 10 pages containing the general features of the proposal for constitutional revision to be upheld by the AD.

The text stipulates that the president of the republic may not dismiss the executive body so long as the latter has majority support in Parliament, and that the government may fall if a motion for censure has been passed against it. At present, the president may dismiss a government even if it has a majority, and two motions for censure from Parliament are required to overthrow the executive body.

The AD draft puts an end to the so-called "pocket veto" of the president, establishing a maximum period within which the head of state may promulgate (or refuse to promulgate) decrees of the government and of Parliament. If he fails to promulgate or reject them within the aforementioned period of time, according to the AD's draft, the decrees will be considered to have been tacitly promulgated.

According to ANOP [Portuguese News Agency] sources, the draft was written by an adviser of Sa Carneiro, and subsequently revised by Jorge Freitas do Amaral. The final version of the text was approved on Monday, at a meeting

in which Santana Lopez (PSD), Freitas do Amaral (CDS) and Ribeiro Teles (PPM) participated.

The draft retains the semipresidentialist quality, excludes the socialist option of the Constitution of 1976, turns over to the common law the establishment of the limits on the private sector of the economy, and eliminates the position of minister of the republic for the autonomous regions. According to the AD text, the Council of the Revolution must be replaced by a Constitutional Court, and the process of resorting to a referendum may be started by the president of the republic.

Meanwhile, the National Council of the PSD, meeting last night at a Lisbon hotel, discussed several matters on the agenda, including in particular Francisco Sa Carneiro's return to the presidency of the party.

The prime minister's decision has been made with a view toward the forthcoming campaign for the elections to the Assembly of the Republic.

The meeting, which was still in progress when we closed this edition, will be the subject of a communique to be disseminated to the news media upon its conclusion.

AD Proposal (Final Text)

Lisbon A TARDE in Portuguese 10 Sep 80 p 9

[Text] Today, A TARDE reveals first hand the final text of the general lines of the Democratic Alliance's program for constitutional revision. The document was approved last Monday during a meeting of the leaders of the three parties comprising the AD.

It may be recalled that the first version of this program for constitutional revision, based on proposals from Santana Lopes and Barbosa de Melo (on behalf of the so-called "Coimbra group"), had been analyzed and discussed at a working session held on Friday of last week in Cascais, attended also by General Soares Carneiro. That session resulted in a second text, which was to undergo still more changes at a meeting on Monday, at which consensus was reached, thus making it possible to approve the final program.

It should be emphasized that the spokesman for the three versions which were discussed was at all times the president of the CDS, Diogo Freitas do Amaral.

This issue of the AD's constitutional revision produced some controversy among certain circles, inasmuch as the first draft was markedly parliamentarist, depriving the president of the republic of many of the powers conferred upon him in the present Constitution. According to well placed sources, Soares Carneiro himself reminded the AD leaders during the meeting in which he participated of the need for the future Constitution to be semipresidentialist as well.

And, in fact, it was this proposal which prevailed, because the program that was approved is aimed toward a semi-presidentialist Constitution.

The introduction to the document now approved, which was prepared by Freitas de Amaral, states: "We want to devise a text which, without imposing any particular ideology nor giving privileges to any party, but rather serving as a general framework for comparison and alternatives for all ideologies and all parties, will be able to gather around itself the largest possible number of citizens and democratic organizations in the country."

Moreover, the authors as one of the reasons necessitating "a thorough revision of the present Constitution" the fact that "the Marxist, collectivist, revolutionary and militarizing orientation of the Constitution of 1976" clashes head-on "with the humanist, democratic, European and Western structure and inclination of the Portuguese nation."

State of Law and Pluralist Democracy

With respect to the general principles of the Constitution ("one of the sections currently most maladjusted and filled with ideological content and Marxist orientation"), the AD calls for the following changes, among others: "Definition of the Portuguese state and regime as a state of law and a pluralist democracy, based on popular sovereignty, the dignity of the human being, and the primacy of the law, as well as on respect for, and a guarantee of fundamental rights and liberties; the elimination of all compromising ideological expressions and concepts, or those which are democratically unacceptable as constitutionally binding, specifically those relating to the "development of the revolutionary process," "transition toward socialism," "alliance between the MFA [Armed Forces Movement] and the democratic parties," etc.; a confining of the ruling on international relations to the essential principles acceptable to all democratic movements, ridding it of any quality that is merely ideological or fortuitous, but stressing the principle of the defense of Portugal's permanent interests and the universal promotion of human rights; the retention of the present reference to special relations with the countries in which Portuguese is the official language; and inclusion of an express reference to the advisability of Portugal's integration into the European Community.

Subordination of the Economic Authority to the Political Authority

From the AD's standpoint, one of the most negative chapters in the present Constitution is that on economic organization.

"The collectivist, nationalizing logic which imbues this entire section of articles in the Constitution is at odds with the logic of the market economy that has inspired the European Economic Community, in accordance with the Treaty of Rome, which Portugal intends to join shortly," declares the Democratic Alliance which, in this section, advocates the changes, among which we disclose the following: "Deletion of expressions and concepts of a

Marxist and collectivizing nature contained in the Constitution, specifically those concerning the "development of socialist production relations," "collective appropriation of the principal means of production," "construction of a socialist economy," etc.; a ban on the possibility of making expropriations without compensation, and elimination of the prohibition against distributing to the workers, as private property, land belonging to the state or expropriated by it; emphasis on the principle of subordination of the economic authority to the political authority; a guarantee of private enterprise as a means of personal fulfillment and collective progress; opening to private investment of the various sectors of the economy not reserved for the state by common law, which will be responsible for setting the limits and the area of the public sector; obligation of the state to encourage and foster the various types of social property, such as the cooperatives, which contribute to economic prosperity and social progress; maintenance of the state's mission to promote agrarian reform, which must be based on improved land use, populating of the territory and improvement in the quality of life in the rural areas, without forcing the collectivization system.

Final, Complete Elimination of the Council of the Revolution

In the realm of the state's political organization, the main point in this program for constitutional revision is unquestionably the proposal for the final, complete elimination of the Council of the Revolution, a measure with which the AD "seeks to achieve full democratization of the system, by means of complete restoration of the political power to its only holders (the people) and to their only legitimate representatives, those who have been chosen in elections."

In addition to this matter, there are others in this chapter of the Constitution which make it the most important one in the country's fundamental law.

For example, the AD proposes that other major changes be made in the section on the political organization of the state, such as: inclusion of an express definition of the president of the republic as representative of the republic and guarantor of national independence, of the unity of the state and of the regular operation of institutions; assignment to the president of the republic of the right to preside over the Councils of Ministers, whenever he deems it feasible; assignment to the president of the republic of his own authority to start a referendum, a constitutional determination of the instances in which it may be used; maintenance of the presidential power to dismiss the government in instances of minority or independent governments, and the exclusion of that authority in the case of governments with majority parliamentary backing, whether it be from a single party or from a coalition; requirement for parliamentary investiture of the government through a yes-no vote, nevertheless making it possible for governments to be accepted solely on the basis of the absence of any motion for rejection; establishment of the rule for dismissal of the government when an absolute majority has passed a motion for censure, on the basis of stringent requirements regarding the procedure and effects of its submission; assignment to

the president of the republic of the right to return to the Assembly of the Republic, for a second reading, any documents approved by the latter with which he disagrees; assignment to the Assembly of the Republic of the power to confirm the same documents, through a simple or absolute majority, depending on the case; a ban on the presidential pocket veto; assignment to the Assembly of the Republic of the power to pass laws on the electoral system for the election of deputies, which will thus cease to be stringently established in the Constitution; simplification and acceleration of the parliamentary legislative process and, in general, of the operation of the Assembly of the Republic; conversion of the interim elections into early elections, with any Assembly elected as a result of dissolution at all times responsible for initiating a new 4-year legislature; elimination of the undemocratic voting which imposes on any government, regardless of the election results, the obligation to carry out a policy of "construction of socialism"; expansion of the emigrants' right to vote, specifically including their participation in the presidential elections, on terms to be established by the electoral law.

Autonomous Regions, Local Authority and National Defense

The elimination of the position of minister of the republic in the autonomous regions of the Azores and Madeira is the main change proposed by the Democratic Alliance with respect to the autonomous regions.

As for the local authority, this AD program also advocates some changes, noteworthy among which we can mention the "abolishment of the compulsory coincidence between the administrative regions of the continent and the planning regions."

In the area of national defense, the PSD, CDS and PPH agreed to propose three changes: conversion of the heading in the Constitution relating to the "Armed Forces" into "National Defense," with the determination of the defense policy incumbent on the Assembly of the Republic and the government; adoption of the fundamental principle of the subordination of the Armed Forces to the civilian authority, with the leadership of the Armed Forces incumbent on the government; assignment of the authority to appoint and dismiss the chief of staff of the Armed Forces to the president of the republic, at the government's proposal.

Possibility of a Referendum

The possibility of a law for constitutional revision approved by an absolute majority being put to a binding or confirming referendum, at the request of a third of the deputies, is one of the leading changes proposed by the AD in the area relating to the revision of the Constitution.

Moreover, this program also calls for a "requirement of an absolute majority and not a two thirds majority for the approval of changes to the Constitution in the process of constitutional revision."

Other changes called for by the AD in this area are: abolishment of the preventive examination of the unconstitutionality of documents to be promulgated; creation of a Constitutional Court with the authority to declare, with general binding force, the unconstitutionality of any regulations or acts of the organs of central and regional authority; reduction of the material limits on the constitutional revision to those related to national independence and state unity, the type of regime, the rights, liberties and guarantees of citizens and, in general, the defense of democracy and of the state of law.

PAD Compromise Proposal

Lisbon POVO LIVRE in Portuguese 11 Sep 80 p 11

(Text) The constitutional revision is something essential from the standpoint of making democracy viable in Portugal....

In fact, based upon the assumption that the next Assembly of the Republic will have constituent powers, few Portuguese today would question the need for giving the Constitution of 1976 a new content aimed at an expansion of concepts and a necessary elimination of dogmatism, without failing to do away with the existing limitations on democratic laws.

Nevertheless, it is our view that, despite the present Constitution's lack of adjustment to the present Portuguese situation and related evils involving insufficient democracy, the 1976 Constitution should be considered in the light of the Goncalvist circumstances being experienced at the time when it was written, a time when the very holding of free elections was in jeopardy. It also appears to us that very fundamental constitutional principles were established, such as the guarantee of political pluralism, respect for human rights and the principle of the people's sovereignty.

It is just that our "law of laws" is marked by a dogmatizing ideologization which seems to deny the dynamic nature of societies, wrongfully restricting the younger generation with its inflexibility. From this angle, we do not think that there are perpetual, super-constitutional laws, and we believe that the Constitution should exist for the people, and not the people for the Constitution. The dogmatic Marxist infiltration is also quite apparent in the realm of the economic constitution, because a model of irreversible transition toward collectivism was established in the area of the socio-economic systems, wherein the state oppressively monitors the civil society. In addition, the hybrid nature of our constitutional establishment is reflected in the incompatibility of the concepts coexisting therein: in general, the principles of West European political democracy on the one hand, and the Marxist-oriented, collectivist economic system, with a certain militarist quality, on the other.

Having said this, rather than a justification for the constitutional revision process, we are seeking to underscore the historic need for the institutionalization of a complete democracy, which is also required of us at the present time when we are being "lured" into European integration.

Up until the time of this writing, there have appeared two drafts for a constitutional revision of political and legal-technical significance: that of Dr Sa Carneiro and that of Prof Jorge Miranda, the comparison of which, as general propositions, suggests to us the following summary of main ideas for revision.

1. In the realm of fundamental principles and matters associated with the rights and obligations of citizens, following the policy of ridding the constitutional text of dogmatism (with a resultant elimination of Marxist formulae), there should be greater flexibility with respect to the acceptance of international law in the internal legal area, as well as a simplification of the content of the economic, social and cultural rights and obligations. Of course, progress must be made to clarify the principles governing the international relations of the Portuguese state, including the principle of respect for human rights and specific consideration of the effects of European integration. In this regard, we shall have to eliminate the limits on the democratic laws, specifically on the will of the people and human rights (note here Portugal's erroneous reservations at the time of the ratification of the European Convention on Human Rights).

The express commitment to the concepts of the "Portuguese people" and "state of law," the defense of the "Portuguese language and culture" and also the elimination of references to the MFA and to the revolutionary process, obviously appear as something inherent in the effective institutionalization of the regime.

2. With regard to economic organization, it should evolve basically in the direction of a conceptual deletion of ideologization from this section of the text, mainly through the elimination of the compulsory transition of economic systems. Accordingly, it is imperative that there be a redefinition of the productive sectors and permission for the reintegration of firms which were directly nationalized into the private sector, at all times stressing in particular the right to private property and the role of private enterprise.

In fact, this economic (bureaucratic-nationalizing) economic constitution appears to us to be only slightly, or not at all in keeping with our plan for joining the EEC and, of course, the market system of social economy and the structural changes which such an historic shift entails.

3. In the area of organization of the political authority, the maintenance of a semi-presidentialist system, defined as an intermediate system which precludes the dangers of presidentialism (authoritarianism and abuse of authority, in view of the individual nature of the organ of sovereignty of the PR [president of the republic]) and the excesses of parliamentarism (generally government instability, in view of the constant fall of governments and the inability to form a cohesive executive branch with a guarantee of continuity), has evoked a certain amount of unanimity.

This is the reason for advocating a balance of powers among the various organs of sovereignty. Dr Sa Carneiro is certain to advocate a certain change in the direction of reinforcing the parliamentary component (expansion of the powers of the Assembly of the Republic, and enhanced role of the parliamentary committees) and also the authority of the executive branch.

So, a controversial issue seems to be the removal from the PR of the discretionary power to dismiss the prime minister, a constitutional power which would be transferred to the Assembly of the Republic; something which does not entail negation of the semipresidentialist nature of our constitutional system, because the PR would continue to have the authority to name the prime minister and dissolve the Assembly of the Republic.

The constitutional solution to the controversy that has arisen concerning this matter may perhaps consist of the express assignment of that power of dismissal to the PR only in the event of the existence of nonmajority governments, excluding that prerogative in situations relative to executive bodies based on absolute parliamentary majorities.

As a necessary organizational correction, there must be an abolishment of the Council of the Revolution, as an institutional evil which (de facto and de jure) is incomprehensible in a democracy, even on a temporary basis, and this is in accordance with a policy of real subordination of the military authority to the civilian authority. From this standpoint, there would be created a Constitutional Court, which will assume the powers to investigate unconstitutionality (with emphasis on the diffuse nature of the system for overseeing unconstitutionality and the elimination of preventive investigation and of unconstitutionality based on omission); while at the same time it will be required to distribute the politico-legislative authority of the Council of the Revolution in military affairs among the Assembly of the Republic and the government. As a matter of principle, there will also appear a Council of the Republic, to operate as an organ of political consultation with the PR, which will have a suitable, heterogeneous composition.

As for the autonomous regions, their autonomy must be reinforced through the elimination of the position of minister of the republic, and an expansion of the powers and authority of the regional organs, with a view toward fulfilling the legitimate aspirations of the island people.

4. With respect to the process of revising the Constitution, in view of the excessive "inflexibility" marking the present limitations on the authority for revision (see in particular Article 290), it must be changed so as to achieve a qualitative and quantitative reduction in these restrictions on constitutional revision.

And concerning the matter of the referendum, let us say that this is a highly political matter, and not merely a legal one, and that the timely nature of the debate stems from the current institutional crisis and the historic need to achieve a solution for it.

In the area of constitutionality, and considering the fact that the Constitution of 1976 has carefully established mechanisms for representative democracy, the referendum is legally unconstitutional, representing a break in the constitutional legal order. As proof of this serious observation, it should be noted that, while not expressly called for in the text, it also does not seem subject to inclusion in the constitutional methods for the exercise of the people's sovereignty. Furthermore, in this respect, our fundamental law is not geared to the West European constitutions as a whole which make the "referendum" a fundamental instrument for the expression of the people's will, and which (in accordance with the principle of the people's sovereignty) authorize it in the constitutional realm as well as in the political, common law and local areas.

However, since Constitutions in Portugal have traditionally been made contingent on the "social" area (as a necessary adjustment), inasmuch as the revisions of the 1911 and 1933 Constitutions did not abide by the limits established in them (unconstitutional revisions of Constitutions?), it is certain that this procedure was due to an overt conflict between the legal and social areas (to be interpreted as sociopolitical forces).

Therefore, from the standpoint of democratic legitimacy, the referendum is defensible as a necessary instrument for institutionally resolving a "stalemate" which is jeopardizing the very survival of democracy. Nevertheless, we think that the "referendum" process of constitutional revision will have to be considered an expedient mechanism to be put in motion only in the event that the agreement on the AD/PS [Socialist Party] regime were excluded; since it is absolutely imperative that the Democratic Alliance win an absolute majority of deputies in the next Assembly of the Republic, and that the president of the republic to be elected in December be institutionally and politically attuned to the plan for full democracy of the majority.

2909

CSO: 3101

CONSTITUTIONAL REFORM: EFFECT ON SOCIOPOLITICAL INSTITUTIONS

Lisbon DIARIO DE NOTICIAS in Portuguese 12 Sep 80 p 14

[Article by UEDS National Political Committee member Joffre Justino: "Constitutional Revision or Politicoinstitutional Destruction?"]

[Text] 1. For some time, we have observed Amarel da Costa publicizing the proposition that there is a need (and a possibility) for constructing a new republic, the fourth. We have been following Jose Ribeiro e Castro proposing that the present Constitution of the Republic be scrapped because, in his opinion, it is an unconstitutional Constitution. "Our Constitution is unquestionably unconstitutional, and is not so much in need of revision as of being abandoned, in its form and general concept, so as to give rise to a genuine Constitution...." Hence a constitutional revision that would continue the present political, social and institutional system is obviously not being sought, but rather its destruction. It is an attempt to make use of the democratic quality inherent in the system itself to destroy it, through its internal liberality. This only argues in favor of the regime, which finds its reason for existence and the reinforcement of its democratic institutions in political debate and struggle.

It is only natural for the CDS [Social Democratic Center Party] to seek institutional destruction. This party represents a group of social and political forces gathered in the conservative area of the Portuguese bourgeoisie; an area which failed in the Marcelist ploy of liberalizing the regime then in effect. Unable, at the time, to resolve the burning issue of the old regime (the colonial issue), and aware of the need for "opening" it, it failed because it could not lose the colonial war. It was a matter of prestige, required to maintain the institutional leadership.

The opening of the colonial issue (which the CDS owes to the left) afforded it new prospects and maneuvering space to battle for power. And its battle is necessarily a battle for supremacy in power. It is, therefore, necessarily the logical area for social destruction. For this reason, its political activity has always been twofold: maneuvering to procure sufficient social strength to destroy the April regime, and being conciliatory toward the same

regime as long as the correlation of forces was not in its favor. For this reason, it voted against the Constitution of 1976, but it also agreed to govern with the party most responsible for the aforementioned Constitution, the PS [Socialist Party]. An area with a clearcut strategy for progressive supremacy in power, to which 25 April is an accident along the way, and removable if possible, it has as a dangerous adversary the traditional extreme right, which operates in its sphere of influence and which will not forgive it for the betrayal of having participated in April-oriented governments, whether Spinozist or not; an extreme right which (unlike the CDS) has not perceived that the most heated issue of the old regime, the colonial issue, was resolved thanks to the left. This problem became more acute with the obstinacy of an old, senile Salazar, who put his own regime in great difficulty (the war), which was militarily impossible to resolve and politically impossible to withstand, even for the right and with a dictatorship.

As for the PPD [Popular Democratic Party]/PSD [Social Democratic Party], it is a political accident, with great difficulty in affirming a coherent strategy. Gaining from that instability the advantage of having experienced years of upheaval, marked by difficulty in understanding, and of having had a policy of constant low blows from all the parties, this party managed to survive, being for Carneiro in 1974, war (and guerrilla) oriented in 1975, for Carneiro again, next for Sousa Franco and for Carneiro again. In other words, it has always been a party fluctuating between liberalism and populism, with a leader necessary to the right, liberal and Social Democratic cadres and a fluctuating social rank and file; a party which participated actively in the Constituent Assembly, reflecting its progressive area therein. A party which voted in favor of the Constitution of the Republic of 1976, considering it (according to Sa Carneiro) the most social democratic in Europe, is now showing up to lead the battle for its abrogation; a leadership which is not completely acceptable to its members, because Sa Carneiro's PPD/PSD is now a rival in the CDS area.

In short, it is another accident for the group which, when the CDS was formed, wanted to continue a plan: the Marcelist plan.

Finally, in mid-1979, during a waiting period when PSD sectors attempted an alliance with the PS on more than one occasion, the ruling sector of the PSD, joining the CDS and PPM, and with the reformers (to make the bridge with the PR [president of the republic] then), forced upon the PSD the formation of a bloc which reestablished the desires of the CDS and, at the same time, enabled it to recover from its state of attrition and to recover hopes of finding the area of power again: the AD [Democratic Alliance].

2. The AD's contradictions concerning the regime that it wants.

According to Ribeiro e Castro, one of the great evils of the Constitution of the Republic lies in the excessive powers that it confers on the state, as opposed to the citizens. "The constitutions and constitutionalism represent

a struggle between the citizens and the state, between those who are ruled and the rulers, wherein the citizens conquer the state and restrict it, in which those who are ruled impose their law on the state." This is what Ribeiro e Castro maintains, adding: "In short, our Constitution has an extreme unconstitutional flaw, and this consists of the attempt to impose a state ethic, an incontrovertible type of official doctrine: the socialist ethic, the Marxist doctrine." He claims that the state would control the civil society in two ways: through a reinforcement of its economic power, and through the imposition of an official doctrine.

Is this a constitutional innovation? By no means. To recall only the recent history of Portugal, the First Republic, with a liberal Constitution (doctrinally liberal, because all the Constitutions are based on a political doctrine, whatever it may be, as Ribeiro e Castro knows, more appropriately than I), made an attempt in 1917 to change old parasitical practices with the Law on Agricultural Mobilization, the Law on Rural Organization and the Law on Irrigation and Land, which were obviously interference by the state in the area of economic power at the time. Jose Freire Antunes, in his book entitled "The Disaster of the Republic at Bayonet Point," mentions these laws, claiming that, "They stipulated faltering expropriations and divisions into small plots, and forced the cultivation of idle land, turning it over to the farming families.... The landholders rose up enraged, in an infernal campaign; and 18 April occurred shortly thereafter." The collapse of the First Republic was due to its inability to carry out reforms which it had advocated, and which it was unable to implement, giving in to the economic power (often forced by a coup).

And what about the Constitution of 1933? It was undeniably doctrinal. It defined itself as being corporativist. As for the control of economic power, let us observe what Correia de Oliveira, Salazar's minister of economy, said: "...We created systems involving conditions or reservations related to the domestic market...and that protection has also allowed nearly all of the business owners, who had little or no desire to progress, to survive until the present as industrialists..." It was simply that the Salazar regime was clearly on the side of the social forces that held the real economic power. To quote Correia de Oliveira again: "...We based industrial development on low wages, and the latter on cheap food, and the latter on the setting and freezing for long periods of prices of agricultural products which, after being maintained over a period of time, discouraged investment in that sector...." Hence, the control which the state exercises over the economy is not neutral, but can be on the side of the majority of citizens, the workers, and small and medium-sized industrial or agricultural business owners, or on the side of a minority with large holdings.

Let us observe the present Constitution of the Republic. Ribeiro e Castro sees the evil in it in two major articles, namely, Nos 10 and 290. An attempt to reject these two articles is, essentially, an attempt to reject the concept of the collective appropriation of the means of production, and

to reject the material limits on the constitutional revision. But what is the content of this famous Article 290? It is simply intended to have the state (not the abstract entity, but the concrete one, including those who control the aforementioned) required to uphold the independence of the state and national unity; the republican form of government; the separation of Church and state; citizens' rights, liberties and guarantees; the rights of workers, both individually and collectively; the collective appropriation of the principal means of production, the soil and natural resources, and the elimination of monopolies and large estates; democratic planning; direct, secret and periodic universal suffrage; pluralism of opinion and political organization, and the right of opposition; rights of the people's organizations; separation and interdependence of the organs of sovereignty; investigation of constitutionality by act or omission; independence of the courts; autonomy of the local governments; and politicoadministrative autonomy of the islands. This is the content of the article concerning which Ribeiro e Castro expresses the view: "In brief, Article 290 does not exist."

While opposing the existence and the content of this article, Ribeiro e Castro nevertheless advocates a preelectoral commitment whereby AD would submit a declaration of rights which would be "a brief, simple document, confined to an affirmation of the citizens' political and social rights which are truly fundamental, clearly imposing them on the state." This is a declaration of rights which would reiterate Article 290, perhaps removing from it the defense of democratic planning, and certainly the collective appropriation of the means of production. Why so much uproar over two paragraphs in an article?

But if Ribeiro e Castro reflects an "antidoctrinal" and "antistatist" view of the Constitution, if this position, for better or worse, is the position of the CDS, what is the position of the Carneirist PSD? The latter party has a proposal for constitutional revision which was submitted and signed by its leader, Sa Carneiro. According to this draft, will the state cease to be the holder of the means of production? Will it cease to have a doctrinal conception? No, according to the PSD it will be a Social Democratic state which calls for "the socialization of the means of production which are indispensable to guarantee the principles of state unity" (Article 84), and which must, as a priority, "socialize the basic sectors of the economy" (Article 85), rejecting the restoration of the business firms directly nationalized after 25 April to private ownership.

Whence it may be claimed that the AD is a merely short-term alliance, if viewed from the standpoint of the concepts in the programs of the two leading parties. Its aim was to defeat the left, concretely, the PS. From the standpoint of political efficacy, the AD may be the political force combining the conservative bloc; but it lacks, on the one hand, a common doctrine. It is a grouping of poorly aligned Social Democratic planks, with a confused populism and a hastily learned Christian Democracy (quite unlike the Italian, which fought with arms against fascist Mussolini and which therefore took over the social leadership). It lacks a leader, or rather, it has too many

(there is Freitas do Amaral, there is Sa Carneiro, and there is the candidate Soares Carneiro): in short, too many leaders for a single bloc (if the young Turks are counted...); and it lacks time to stabilize a cohesive political bloc. AD may become the political force representing the retrogressive bourgeois bloc, but it will never succeed in being a national representative, as was the political bloc which received its backing from the personage of De Gaulle.

Its contradictions have caused it to experience extreme difficulty in defining a political regime, let alone constructing one. This is probably the reason that the AD has not yet submitted its proposal for constitutional revision. To date, it has confined itself to attacking the present Constitution, the limitations that it imposes on its revision and the objectives in its program. With the AD in power, the next 4 years will be considerably more unstable and more troubled than the last 4 years; because, if the AD is to survive, something has to give within the AD itself. The past 9 months have been evidence of this. The crisis involved the PSD/CDS relationship, and internal difficulties in the PSD itself, and ended with the case of the reformers.

Whence it may be claimed that Sa Carneiro brought Soares Carneiro to the limelight (or the latter came into the limelight on his own, history will decide), because the AD, like Salazar (although for different reasons) needed to install the military right wing into power still further. Only by so doing can it withstand the internal conflicts, without fearing a comeback by the right, which would prove rather unfavorable internationally, and would have unpredictable consequences nationally. There is simply no guarantee that the entry of the military right wing into power will not mean its stay there for many years; it all depends on the international changes, including the elections in the United States. A possible Reagan victory could mean a return to the cold war, or entry into a widespread international conflict, which would foster the comeback of the right wing militarists.

3. The Socialist Republican Front and the Constitutional Regime

The FRS [Socialist Republican Front] appeared in public as the first political force running in the next elections with clearcut positions concerning the constitutional revision. Moreover, its Constitution is based on an agreement on constitutional revision, unlike those of the other competing political forces. Therefore, the FRS is entering the electoral race with an extra strong point in relation to its adversaries: At the outset, it is essentially united on the constitutional revision. As a powerful force, this is one less issue for its attrition and a reinforcement of its unity.

The basic orientation of the FRS' draft of the constitutional revision is a reflection of the national consensus which the present Constitution symbolizes and which was obtained in 1975-76. It is a critical reflection, but at all

times based on the assumption of the viability of the present Constitution. In fact, according to the FRS:

It is not impossible to live under democracy with the present Constitution; quite the contrary: It has proven to be an important instrument for democracy with which it has been possible for a Socialist government, a Socialist-Centrist alliance, three presidential governments of various hues and, finally, a CDS/PSD/PPM alliance, to govern with relative social stability, all at the height of an internal and international economic crisis, and attaining the supreme accomplishment of surmounting major aspects of the internal crisis. Therefore, the FRS can readily conclude that it is not necessary to alter the fundamental set of ideas in the Constitution of 1976. We shall maintain it, with emphasis on the socialist principle.

Since it is not a matter of preparing a new Constitution of the Republic, since it is not a matter of destroying the regime, as the AD wants, because the destruction would jeopardize democracy, it is easy to reconsider the Constitution on the basis of the temporal, circumstantial and material limits imposed by the Constitution itself in Articles 286, 288 and 290. It will suffice to take the lessons from 4 years of political practice and think on the basis of them. Hence, it is not necessary to put the Constitution to a referendum, because it is not a new Constitution. The changes will allow for greater stringency of concepts and greater efficacy in government operations.

We shall maintain the principle of collective appropriation of the means of production, the soil and natural resources, establishing a system of ownership wherein the private, state, cooperative and self-managed sectors will coexist, interdependent on one another and competing with one another. The connection with the strategic principles of the economic system will be made by a democratic planning system for the economy, wherein we uphold the right of the workers to participate in the economic power, as well as in the political and social power. We shall uphold the essential content of agrarian reform.

The PR [president of the republic] will be maintained in the present form, with a more precise definition of his constitutional powers, expanding the area of authority of the Assembly of the Republic, and more suitably articulating the powers of the organs of sovereignty, reinforcing the stability of governmental solutions. For example, it may be required that the submission of motions for censure must also entail the submission of a government alternative. To offset the reinforcement of the parliamentary features of the regime, participatory democracy will be expanded, specifically in the realms of the educational system, and the consumer protection institutions, enlarging the scope and functions of the right of petition and of the popular elections on the local level.

The military institution will be subordinate to the political authority. The Council of the Revolution will be abolished, and its powers distributed among

the Assembly of the Republic and the government. An organ of consultation will be created: the Council of the Republic. A Constitutional Court will be created, and will not be composed exclusively of professional magistrates. The politicoadministrative autonomy of the Azores and Madeira will be consolidated.

The internal consistency of this proposed constitutional revision is obvious: to preserve the democratic institutions, lending them more efficacy, greater flexibility and more interrelationship; to reinforce the community's control over the organs of power, giving an incentive for the citizens' democratic participation in public life, and decentralizing the powers within the state apparatus. Hence, the FRS has appeared with concrete proposals against the general, non-specific attacks in proposals from the AD.

Why must the AD put the Constitution to a referendum?

Ribeiro e Castro shows in his text quite clearly why the AD has to give the outward appearance of offering a new Constitution of the Republic and putting it to a referendum. He claims: "What is imposed by force can only be changed by a greater force. Not that this is desirable, but because it is what normally occurs, as history has proven." He obviously fails to explain that 25 April occurred because there was a war, and because there was a repressive regime which hampered democratic changes; something that is not the case now. His notion of politics as a spectacle is marked by the demonstration of an image of force against 25 April, which was the most peaceful and most efficacious movement of force in the past 50 years. On the one hand, this image of force makes it possible to reject any prospect of government action based on social and national consensus, imposing the image of power made supreme. This is a fundamental image for anyone who, in fact, wants to make the power supreme, but who does not have the real social force or political force to do so. For, as everyone knows, the AD has fewer votes than the combined left. On the other hand, because the AD, as a political force, is beset with countless internal contradictions which can only be surmounted in public opinion by setting up false images.

Hence, this is the first reason causing the AD to have to advocate the constitutional referendum. It must bring about the disappearance of the image of social force of 25 April, so as to promptly create the outward conditions that would allow for a return to Marcelist continuity, ignoring the fact (or causing it to be ignored) that national and international times have changed. But the second reason is more important from the standpoint of concrete politics. The Constitution of the Republic requires a two thirds majority for constitutional revision. And why? Because with such a majority there is required a regime of national consensus, rejecting the regime of the power/opposition, and dominant/dominated type. Now the dominant/dominated image is fundamental to a regime based on a social structure of antagonism between holders of the means of production and those who are not holders thereof. The society must be made hierarchical, and mentalities must become accustomed to that hierarchy.

Because the alternate concept of collective appropriation of the means of production is a concept which is dangerous to the AD in many ways; dangerous because, while not actually rejecting the private exploitation of the means of production, it clearly indicates the establishment of limits on that exploitation. If the means of production belong mainly to the community, as well as the soil and natural resources, it is logical that the exploitation thereof cannot take place contrary to the interests of the community. The latter would not allow the exploitation of what also belongs to it with destructive methods, and would have a moral and social right to intervene. It is dangerous because it could be accomplished through a collective exploitation of the means of production, whether by the state, by cooperatives, by self-managed entities or by jointly managed entities, which would remove the monopoly on credibility from the private sector, changing the meaning of the concept of competition from competition among private capitalists to competition between the latter and other types of exploitation of the means of production.

It is dangerous, finally, because, since it is also a cultural concept, it operates as an element of social innovation, which would make the dominant/dominated concept of society overshadowed.

This is why Ribeiro e Castro has reason to cite the referendum as a weapon at this important time for the right wing. As submitted, it only allows for the elimination of the present Constitution and the imposition of another one, wherein the notion of collective appropriation of the means of production would disappear. And, in order to overcome the image of weakness involved in imposing on Parliament a vote by a reduced majority to approve a Constitution, it must be put to a referendum.

But would the referendum, in fact, produce such an image of force? No, and for several reasons. Because, even if such a Constitution were to pass the test of the referendum, it would have very strong opposition from a minimum of 40 percent of the voters. Hence, it would be a bipolarizing Constitution. We would have the country governed by a Constitution which, like the one of 1933, had strong (and even more) opposition that would make it dependent on a parliamentary majority (always the same). As soon as that majority disappeared, the Constitution would disappear. The AD proposal is so unstable that it could survive the AD's crises only by dint of repression.

But what if the voting ratio in October remained the same as in December 1979? Then even if the AD has a majority in Parliament, its Constitution would not pass the test of the referendum, because the left opposing it has a majority of votes. Could the AD withstand such a defeat? Or, rather, could the democratic regime withstand an AD majority in Parliament but without a Constitution? Could the country withstand such a social and political crisis? Could this also be why the AD needs a Soares Carneiro, a member of the military right wing, and an authoritarian who would impose an undemocratic presidentialist regime?

But let us assume still another hypothesis. The AD wins, Soares Carneiro wins, the AD Constitution prevails and the AD governs until 1984. We would have elections again, and then everything would be repeated. The AD Constitution, contested by the entire left wing opposition every 4 years, would be the target of heavy criticism, and as soon as the AD lost the elections, it would disappear from the map. Can the AD withstand this situation for long? The constitutional referendum as proposed by the AD is less workable than the two thirds majority that the present Constitution proposes! Then why create so much confusion in the country's political and social structure?

Portugal actually does not need the AD Constitution which, furthermore, does not yet exist and would do better not to appear. The AD is actually not only an obstacle to the democratic regime; it is an obstacle to the country and to its development. It is an instrument for dividing the society which must be defeated, so as to be able to construct Portugal.

2909

CSO: 1101

PRIVATE INDUSTRY: VIEWS ECONOMIC, LABOR CONSTITUTIONAL REFORM

Lisbon A TARDE in Portuguese 10, 11, 12 Sep 80

[Article by Isabel A. Cordeiro: "The CIP and Constitutional Revision"]

[10 Sep 80, pp 9, 14]

[Text] The Confederation of Portuguese Industry (CIP) prepared its opinion of the constitutional revision for the I.D.L. to be included in the current issue of its publication. A TARDE is printing a series of three articles on that opinion starting today.

According to the CIP, although the topic is on the agenda, the notion of revising the Constitution of 1976 is nothing new. What is involved is stressing the idea at present, and dealing with it systematically, so as to allow the various views that are expressed to result eventually in a concrete plan for revision.

"In its capacity as representative of private industrial firms on the highest level, the CIP is familiar with the institutional framework created by the Constitution from the standpoint of the activity of the economic agents who, against all obstacles, succeeded in keeping the Portuguese economy running during the difficult years of the revolution. Aware of this situation, the CIP has been, and is still appealing for a thorough revision of the Constitution and of the constitutional framework." It is from this angle that the opinion was reached.

In the aforementioned expression of opinion, the CIP discloses the position of business owners in this respect, stating: "The business owners represented in the CIP reject the Marxist propositions of dialectical-materialist origin concerning the progress of history," made in the belief that they "are the very ones responsible for building the future of mankind."

Thus, the CIP notes: "Owners of industries regard the existence of an open society as the only means of providing the individual with the solution to the natural conflicts resulting from his membership in an organized community, while at the same time affording him the broadest opportunities for personal fulfillment."

The CIP observes: "Portuguese business owners realize from longstanding experience that there can be no open society without an economic system that is based on the fundamental principles and rules of the market."

According to the CIP, it is obvious that, "In the text promulgated on 2 April 1976, there are two different constitutions coexisting, a result of two opposing inspirations and based on two different kinds of legitimacy. Alongside a liberal-democratic Constitution, the essential features of which are identified with the basic texts of the open societies in the Western world, the Constitution of 1976 harbors a revolutionary constitution, imitating the socialist constitutions of Eastern Europe."

Also in this regard, the CIP declares: "In the realm of inspiration, the duality of the text results from the very nature of the sources used in preparing it."

The Democratic Constitution

According to this Confederation, the democratic Constitution is reflected mainly in the rulings included in Title II of Part I, on Rights, Liberties and Guarantees, and in some aspects of Part III, on Organization of Political Power.

Revolutionary aspects occur in this chapter, such as the fact that the right of ownership is not included in this Title II, but rather is relegated to Title III, concerning economic, social and cultural rights and obligations, where some of the most significant aspects of the revolutionary Constitution (Article 62) are disseminated.

The opinion notes: "Even worse than the placement of the ruling, which is truly regrettable, is the fact that the constitutional guarantee does not even go so far as to preclude the legalization of confiscation, also established in the main body of the Constitution (Article 82, No 2) in terms that make the most arbitrary intrusions of the revolutionary spirit possible. It will suffice to allow the ordinary legislator to revert to the Goncalvist concepts of the 'big' owner of property, business or stocks...."

Moreover, the CIP cannot help but express regret that, along with the right of ownership, the Constitution has not expressly guaranteed the right of enterprise, the right of establishment mentioned in the Treaty of Rome.

The Revolutionary Constitution

The revolutionary Constitution appears in the most variegated chapters, as fundamental principles: economic rights and obligations, and economic organization.

Among the fundamental principles, the CIP makes reference to several articles of the Constitution, specifically the definition of Portugal as a republic

"striving for its transformation into a classless society" (Article 1; the "socialization of the means of production and wealth" (Article 99); and references to the MPA (Armed Forces Movement) depicted as the guarantor of the revolutionary process (Articles 3 and 10), among others.

In the chapter on economic rights and obligations, the CIP stresses that: "Immediately, in the definition of the guarantees and conditions for the implementation of economic, social and cultural rights and obligations, there appears, first of all, 'the collective appropriation of the principal means of production,' promptly followed by economic planning and development, with the democratization of institutions ranking only in third place.

"The collective appropriation cited as a necessary result of the revolutionary process that is under way (although pacified with the aid of the parties) is, therefore, from the standpoint of the Constitution, the first requisite for the implementation of those rights."

The CIP states that the references to the idea of constructing the socialist state continue, however, throughout Title III, and particularly in Chapter I thereof. For example, "Immediately following the enumeration of the state's obligations aimed at lending essence to the right to work, the Constitution reveals itself as advocating a static concept of this right, interpreted as a right to a specific job, and not as a right to find in the society the necessary conditions for the exercise of the capacity of each individual to work.

"This is the reason for considering the ban on layoffs without just cause to be proper, a ban which, in the common laws, has ended up being enacted with the limitation of just cause to behavior defined as serious disciplinary violations, which denies business firms any opportunity to execute a policy for suitable personnel."

The Strike Serves the Revolutionary Process

As for the chapter on strikes, the CIP emphasizes that "the Constitution confers upon the workers the right to strike, on the condition that they call it as an exercise, not to promote the defense of the occupational interests of their members, but rather to serve the revolutionary process.

"This is the only explanation for the concern of the members of the constituent body with banning the ordinary legislator from introducing any limitations on the scope of interests to be defended by the strike, and, at the same time, with eliminating the right to a lockout.

"Furthermore, the constitutional seeds have borne fruit, so to speak, in the common laws, as they could not fail to and as one may readily conclude by reading Law No 65/77, of 26 August, and from an observation of the practices which have been made possible under its protection.

"The absence of a concept of a strike and the resultant lack of definition of an unlawful strike, the limiting of the consequences of the 'wildcat' strike to the laying of unjustified blame and denying business owners any means of defense, even in situations wherein the survival of the firms may be at stake, have led directly to constant instances of strikes accompanied by occupation and violence, as well as to stoppages in the rendering of services of essential public concern, which the country has been witnessing."

In concluding this topic of economic rights, the CIP remarks that, "It was only after insuring the workers, and particularly the respective union organizations, the right to destabilization, and prohibiting business owners from defending their firms, that the members of the constituent body decided to guarantee the right of private ownership, relegating it to the status of the last of the economic rights (Article 62)."

Economic Organization

As for the revolutionary aspects pertaining to economic organization, the CIP declares that "after all that was stipulated up until Article 80, the socio-economic organization of the republic could not help but be based on the 'development of socialist production relations,' achieved through 'collective appropriation of the principal means of production and the soil,' and through 'the exercise of democratic power by the working classes.'"

"However, it may be said that the coherence of the Constitution has ended up having nothing to do with reality and logic, as is quite evident from the fact that it seeks to have private economic enterprise allowed to be exercised only as a tool for a progress which, in the logic of the Constitution, necessarily lies in the establishment of a socialist society (Article 85).

"It is also evident from the fact that it is regarded as possible for private enterprise to be exercised freely when it is banned access to sectors which, by definition, impose conditions on that very exercise, as was eventually established in Law No 46/77, of 8 July.

"Similarly, no free, responsible exercise of any enterprise can be attempted when it is subject, at the outset, to controls the declared purpose of which is to put an end to it in a more or less brief period of time (Article 90, No 2), as well as to provide the necessary means for actual socialization of the economy (Article 105, No 1).

"Therefore, the conclusion drawn from the analysis of some of the fundamental principles, that the Constitution has imposed on Portuguese society a socialist model of socioeconomic organization, is warranted; and it may be added that, in this context, private enterprise is only tolerated until the construction of that model is completed."

[11 Sep 80, p 9]

[Text] The position of business owners regarding the Constitution of 1976, and the existence of two different constitutions, resulting from two opposing inspirations and based on two different kinds of legitimacy (one democratic and the other revolutionary), coexisting side by side in the aforementioned constitutional text, were the points that we stressed yesterday, in discussing the CIP's views on the need for a constitutional revision.

Today, we cite excerpts from the CIP's opinion concerning the attempts that have been made throughout recent years at a democratic interpretation of the constitutional text which, according to the CIP, have met with "nearly total failure."

The opinion states that "from 1976 to the present, there have been several attempts to interpret the fundamental text, aimed at preventing a clash between the two constitutions coexisting therein, and making the democratic constitution predominant."

According to the CIP, some of those attempts "were based on the notion that the accomplishment of socialism, being only a goal, is subordinate to the principle of the majority vote insofar as its fulfillment is concerned. From another standpoint, it has been said that the accomplishment of socialism is subordinate to a principle of economic efficacy."

As the CIP notes, "both attempts are obviously based on the constitutional text, since it is a fact that the Portuguese Republic is also defined as a democratic state based on popular sovereignty and on pluralism of expression and democratic political organization (Article 2). It is also a fact that according to Article 3, the sovereignty which lies with the people must be exercised in the manner prescribed by the Constitution, wherein, with regard to the participation of the citizens (not the people, nor the working or most underprivileged classes) in public life, suffrage is emphasized, defined as 'universal, equal and secret,' with personal exercise and constituting a civic duty (Article 48)."

On the other hand, the opinion points out, "in enumerating the state's priority missions in the area of economic organization, the members of the constituent body cite first the promotion of the people's social and economic well-being, followed next by stabilization of the situation with the guarantee of full utilization of the productive forces; and not until 13th place do they mention the impetus to be given to the development of socialist production relations (Sections a, b and n of Article No 81).

"Hence, it follows that the natural concurrence of the two principles of the majority vote as the only means of exercising popular sovereignty and for efficiency as an immediate goal of the state in the economic area should lead, in a unbiased interpretation, to the predominance of the democratic

constitution over the Marxist revolutionary constitution. The latter would (and should) be limited to the role of a mere future objective, the pursuit of which would always be subject to the will of the majority, expressed through universal, direct and secret suffrage."

This was, moreover, the position upheld by the CIP itself, during the period following the date when the Constitution went into effect. At that time, the CIP tried to demonstrate that "the attempts at immediate accomplishment of socialism, as well as the preeminence being given to the working classes, in accordance with that line, are putting the implementation of those tasks at stake and thus are jeopardizing all of the constitutional structure, beginning with the existence of political democracy."

That Confederation stresses that "on that occasion, the preparations were at a height for, among other things, the legal systems for strikes, the demarcation of sectors, indemnification, the workers committees, the self-managed enterprises and the abolishment of the work contract."

Supremacy of the Revolutionary Constitution

The CIP states that "the attempts made to create a logical, natural hierarchy of the constitutional provisions have, as a rule, met with nearly total failure."

For example, "the aforementioned legal systems have ended up allowing, in their final form, more of a labor-oriented interpretation of the Constitution, counting on making the revolutionary rulings predominate, through a policy of faits accomplis, than a democratic interpretation."

In the realm of organization of the economy, the opinion claims that an attempt has been made, primarily, "to rob private enterprise of access to sectors by imposing conditions on its free, effective exercise, keeping the nationalizations made of them after 11 March safe from any possibility of embarrassing competition.

"At the same time, and so as not to allow it major development even in the sectors established as open, there was an attempt to deny it investment opportunities. In fact, this is the ulterior motive of the mobilization system for investment stipulated in the entire Chapter IV of Law No 80/77, of 26 October (indemnification for former holders of rights to nationalized or expropriated assets). The same intention is also obvious in the rulings which confer upon the self-managed firms a system of complete immunity, banning and suspending the taking of action aimed at making their potential responsibilities real and denying the potential creditors the means of asserting their rights.

"In other words, the greatest difficulties have been created for private investment, and, at the same time, the respective firms are obliged to finance the public sector of the economy."

The CIP also cites the recent passage of a law (Law No 77/79, of 4 December) in which it is required that the authorization to transfer or encumber certain assets of the nationalized firms must be given through a decree-law, "with the obvious idea of preventing this means from being used to hasten the very slow process of indemnification."

In the area of business management per se, the opinion stresses that a successful attempt has been made to subordinate the role of the business owner within his own firm, surrounding him with irresponsible institutions that are under bureaucratic control, denying him any opportunities for managing his working capital in a way suited to the changes in conditions, and leaving him without any protection against professional agitators who plan to destroy the firm.

There Are Limits on the Choice of the Economic System To Be Adopted

With its statements, the CIP cannot fail to recognize that there prevailed in the Assembly of the Republic resulting from the 1976 elections a Correirist, revolutionary interpretation of the Constitution. Insofar as the basic rule for the majority vote is concerned, "despite the contradiction in principle which this contains, the Constitution limits the options given to the sovereign people with respect to the choice of the economic system to be adopted. This system is related to socialism of Marxist origin, based on the collective appropriation of the means of production and the soil, and on the exercise of the democratic power of the working classes."

Elsewhere in the CIP's opinion, it states: "Any attempt at a moderate interpretation of the constitutional text is irrevocably doomed to having more or less precarious, temporary results. The only definite thing is the revolutionary march toward socialism..."

But the private business owners know that "an increase in any socialist production relations can only result in social and economic malaise and, at the conclusion of the process, even political liberty will disappear.

"Hence, it follows that, in the context of the present wording of the Constitution, any attempt to make the liberal-democratic constitution predominate, so as to allow for the recovery of the private sector from the standpoint of lending substance to the famous formula of Dr Mario Soares, who defined our economic system as a 'competitive market system,' is destined to have temporary success at most," claims the CIP. It concludes that there must be a complete revision of the Constitution, as the only outlet to a coherent, rational solution for the series of crises which have affected the lives of the Portuguese people in recent years.

It is on this topic that we shall conclude, tomorrow, the series of three articles on the issue.

[12 Sep 80, p 8]

[Text] "The need for a complete revision of the Constitution as the only outlet to a coherent, rational solution for the series of crises which have affected the lives of the Portuguese people in recent years" is without doubt the conclusion that the CIP has drawn from the expression of its entire opinion on the revision of the Constitution, which A TARDE has featured in its last two editions. According to the CIP, "business owners know, and sense, perhaps more than anyone else, how thwarted they are in fully exercising their entrepreneurial activity in a country doomed to the construction of socialism. Hence, the business owners are certain that the revision, without the material limits set in Article 29, has indisputably weighty arguments in its favor."

The Unconstitutionality of the Revolutionary Constitution

According to the CIP, the only conclusion to be drawn from the analysis of the legislative process of the Constitution and from the internal consistency of the text itself is that it contains an abundance of unconstitutional rulings, despite the fact that they are officially included in the fundamental text as a whole.

The opinion stresses: "Of course, a substantial portion of the Constitution was discussed and voted on in a 'pre-Goncalvist' plenum, and abiding by the First Platform on Constitutional Agreement, held on 13 April 1975 (still under the direct and very lively influence of the revolutionary coup of 11 March) between the MFA and the political parties. And it is true that this 'Platform' expressly required the members of the constituent body to sanction the conquests made throughout the revolutionary process, 'as well as the developments of the (MFA) Program imposed by the revolutionary dynamics which, overtly and irreversibly, put the country on the unique path to a Portuguese socialism...' (quotation from Jorge Miranda, in 'The Constitution of 1976'), in addition to the physical and moral pressure (blockading of the Constituent Assembly by civil construction workers and threats of military intervention) which was to have inevitable repercussions on the text of the Constitution."

And it concludes: "And it did have repercussions, of a decisive nature, as we have just observed."

Immediate Revision Without Material Limits

After making some comments on the contradictions that exist in the constitutional text, the CIP emphasizes: "The evils which the basic text of the Portuguese political society suffers require its immediate revision, without any material limits. It is also required by the fundamental principles which inspire and rule the Portuguese society in its present journey of liberation from a system which has not allowed it to exercise its fundamental liberties."

The CIP text notes: "It is those principles which prompted the Portuguese people to repudiate, en masse, during the famous summer of 1975, the attempt to set up a new totalitarian regime in Portugal, and they can be summarized as a definite option for liberty, and should be regarded as genuine standards of supralegal, unproven law, which have been definitely violated by the Constitution of 1976.

"They too require the complete revision."

Possibilities for Revision

"The obvious incompatibility of the Constitution with the real lives of the Portuguese people, members of the society whose fundamental law it is supposed to be, added to its great inconsistency with the text, which was meant to be unified but is not, has prompted supporters of constitutional law and politicians to try to find a solution to the problem of Article 290.

"As everyone knows, one of those solutions is reflected in the theory of the twofold revision: the law in question would be subject to revision, and therefore the complete revision of the Constitution would only have to start with the change in Article 290, followed (in the next revision) with a treatment of essential problems."

According to the CIP: "It does not appear that this system for twofold revision could be accepted from the twofold standpoint of its own internal consistency and the nature of the needs which the revision must confront."

It emphasizes: "In fact, the possibility of a revision of the law setting the limits on the revision itself converts it into a truly useless provision, without any function in the constitutional context; something which would not be peacefully accepted by the vast majority, and which represents the transition from a group of 'nitwits' to members of the constituent body. And they were not 'nitwits.'"

According to the Confederation of Industry: "Once there is acceptance of the principle that the rulings limiting the revision have absolutely no relevance (as in the case of the advocates of the twofold revision), one cannot see any obstacles that could be raised to an immediate total revision, provided the official limits for revision are upheld; that is, provided it is assigned to a Constituent Assembly especially chosen for that purpose, and hence based on the feasible enlightenment of the electorate, as will be the case with the results of the voting in October 1980."

Referendum

"It is necessary merely that the revision not leave anyone with doubts, and this is why it appears feasible to subject the results of the voting in the Assembly of the Republic to a referendum of the voting citizens, organized

under conditions marked by the most extensive publicity and clarification. In this way, two appreciable results would be accrued: On the one hand, the members of the constituent body would be obliged to work with a more heightened sense of reality; whereas, on the other, the main argument of those who uphold the theory of the absolute relevance of the rulings on limitation would be eliminated."

The CIP claims: "There will always be those who maintain that the failure to abide by the limits in Article 290 will always constitute a definite possibility of a rupture."

To them, it would say: "The rupture, if it exists, is in a constitutional system that the country repudiates, as will be proven by the results of the referendum."

The organization representing private industrial business owners concluded by stating: "Business owners want only a Constitution made for the Portuguese society of today, which will allow them to work."

2909

CSO: 3010

COORDINATION BETWEEN ETA TERRORIST ORGANIZATIONS SUSPECTED

ETA (P-M) Communique

Paris LE FIGARO in French 30 Jul 80 p 3

[Text] Basque Country: Rapprochement of the two ETA Branches

"The most recent communique of the political-military ETA announcing the 'use of combat methods not previously known,' disturbs the political observers of the Basque country who see in that proof of a dangerous rapprochement of the two branches of the terrorist organization" (our 10 July editions).

Up to now, the "poli-mili's" have been supporters of a political solution to the Basque problem and have used their arms only to promptly support their campaigns, whereas "the mili's" have always advocated unremitting armed struggle. The relative failure of their political party, "Euskadiko Eskerra," at the time of the Basque parliamentary elections in March doubtless induced the "moderate" "poli-mili's" to follow the line of the "tough" "mili's." Such a hypothesis is very disturbing, because it would mean that the Basque Nationalist Party is henceforth the only group among the truly nationalist groups to support autonomy and that the entire nationalist left rejects it.

Change in ETA (P-M) Tactics

Paris LE FIGARO in French 10 Jul 80 p 3

[Article by Special Correspondent Anne-Marie Romero: "The 'Vacation-time War' is Marking Time; the Basque Country: Towards a Redistribution of Cards"]

[Text] The "vacation-time war," initiated on 22 June by the "political-military" branch of ETA [Basque Fatherland and Liberty Group] is marking time. Since the end of last week, no new bomb has been reported. A

technical respite or armistice? Be that as it may, this new show of force, launched during a moment of serious deterioration in relations between Madrid and Bilbao, currently marks a threshold in the Basque problem, and perhaps risks involving an important redistribution of cards.

"Carlos, Herria Zuretik..."

(Carlos, the people are with you). There were 40 or 50 thousand of them in Bilbao this past Saturday, dressed for the most part in "kaiku," wearing dark blue collarless jackets and traditional berets, to demonstrate their support to Carlos Garaikoetxea, president of the autonomous government, a support that he greatly needs, and which is why he had organized that "demonstration of support for Basque institutions."

Officially he in fact wanted to respond to the occupation of parliament the week before by some steel workers, on strike for 7 months. As a matter of fact, he wanted to count his forces; in particular he wanted to go beyond the chasm of the lack of understanding that separates Bilbao and Madrid to remind Adolfo Suarez of the promises he had made a year before, when the two men smilingly exchanged the historical handshake that was to initiate the process toward autonomy.

Today, Carlos Garaikoetxea is at bay. It seems that he can count only on his party, the Basque Nationalist Party (PNV), that is, on 23 of the 60 deputies in the autonomous parliament. Even the socialists, the friends of yesterday, refused to take part in the demonstration Saturday.

There are two causes of this degradation, both of which are worsening: the economic crisis and Madrid's blunder.

The economy of the Basque country was established in the 19th Century. Based on the heavy steel industry and on maritime trade with Great Britain, it was not able to deal with the upsets in structures and markets. Babcock-Wilcox and Altos Hornos de Vizcaya, two steel giants, are on the brink of bankruptcy. Each day enterprises close down. In Vizcaya, which has less than 1 million inhabitants, 90,000 are unemployed.

In addition, manufacturers have to pay a revolutionary tax to ETA (mill). ETA members are more and more greedy: they now even fleece small family businesses and liberal professions...

The only ray of hope for a new beginning: PEMEX (Mexican Petroleum) has just bought up all of the refining installations of the port of Bilbao. But the agreement was negotiated with Madrid, because the Basque government does not yet have the real key to its autonomy: the "economic councils."

The Joint Madrid-Basque country Committee, appointed to that end, in fact seems to have senselessly complicated the transference of dossiers, whether of health, of communications, or of security. The Basque country still does not have its famed police force, for want of which the government, in order to assure its security, finds itself obliged to call on the...Spanish police, spurned by all.

"In short," concludes Javier Arsalus, PNV president, "we see that we are blamed for everything that does not go right, while we have no authority over anything and, what is more, the ETA is exacerbating dissatisfaction."

A director of "Herri Batasuna," the cover coalition of the "mili's," willingly confirmed this to me: "Our present aim is to show, by exploiting all inconsistencies, that this autonomy is not worth anything at all..."

An Ambiguous Condemnation

Thus this is the moment that the other ETA chose to again take up arms, it being well understood--it said so--that it was in favor of autonomy and that it even wanted to hasten its implementation. All of the local forces condemned those campaigns, beginning with Euskadiko Ezkerra, the extreme left party, the one most tied in with the poli-mili ETA.

"Actually, however, this unanimity rings false...First of all, the attitude of the PNV is ambiguous. It condemns the bombs in evasive terms, but treats Euskadiko Ezkerra, 'loyal partner in parliament,' tactfully," says Arsalus, "and pretends to believe in the separation of the party and the armed group. Perhaps it is thinking of its six deputies whom it will indeed need to attain an absolute majority. But there is something that is more troubling: it is a fact that the 'vacation-time war' is a success, because there are no deaths and because 30 percent of the tourists have fled. And suddenly there are no obstacles on the political horizon for the PNV: the interview with Adolfo Suarez that Garaikoetxea had wanted for weeks will take place, they say, this week. The chief of state, among other things, in fact would like to ask him to negotiate for him with respect to those who plant bombs..."

But there is another even more troubling fact: "Have you noticed," continued the director of Herri Batasuna, "that the ETA (mili) has interrupted its armed struggle since the beginning of the 'poli-mili' operation?" In fact, as if coordinated, the "mili" assassinations ceased 2 weeks ago. "This year's campaign," continued my interlocutor, "is much more serious than last year's." This is all the more serious because it is believed that it was planned with some Andalusian separatists, which ETA, yesterday so racist, today seems to want to take under its wing.

Is one witnessing a reconciliation of the two branches of ETA? This is not impossible. Beyond the circumstantial cleavages that have taken place

with respect to autonomy, their basic objective is the same: to establish in Euskadi a Marxist-Leninist independent state, embracing Navarre and the French Basque country. The poli-mili's, aware that the Christian Democrats of the PNV who will be in power for quite some time to come can only delay their undertaking, may very well have joined the arguments of their rivals. In that case, then, the Basque problem will truly become unsolvable.

Interior Minister's Statement

Hernand EGIN in Spanish 3 Jul 80 p 28

[Article: "On the Eve of Barre's Visit Interior Minister Juan Jose Roson Complains of France's Lack of Cooperation Against Terrorism"]

[Text] Madrid--Interior Minister Juan Jose Roson yesterday told a group of reporters that the ETA (Basque Fatherland and Liberty Group) terrorist phenomenon is a burdensome factor that weighs heavily in the border situation.

In this regard, Roson added that in his opinion French cooperation would change the character of police results and said that each time the Spanish Government had exerted pressure on the French Government said results improved.

Referring to the planting by ETA (p-m) of explosive devices in various tourist areas, the minister of interior, who met for 2 hours with various information media representatives, said that in his opinion the authors of these operations are under the command of two persons who move about with great speed. He added that his impression is that ETA (p-m) utilizes people who are not expert in this connection and that the devices that are planted are simple. He also said that it is foreseeable that this campaign will continue for some weeks in other tourist areas.

On the other hand, he indicated that the security forces are operating very acceptably and emphasized the great cooperation that exists between municipal organizations, citizens, and directors of the tourist sector.

Later on, Juan Jose Roson said that he had ordered a check of all foreign citizens who "come and go," without remaining a specified period of time in any one place.

He further said that "there is an evident hardening of ETA's attitude, possibly owing to the struggle of the internal sectors of the organization to achieve hegemony over the others." He does not discard the idea that there is a higher-level control over both branches of ETA. "It is hard for me to believe that there are no links and that what is occurring is a matter of chance," he concluded in this regard.

In another connection, he also said that because of the way the PNV [Basque Nationalist Party] is facing the responsibility it derived as a result of the most recent election, he is optimistic about the resolution of the Basque country's problems, but he did specifically except "the terrorist problem, which is another matter."

Juan Jose Roson indicated that there was need of greater coordination between his department and the judicial authorities. He referred to the fact that we live in a climate of widespread political violence that is manifested in various degrees. "This climate of violence must be eliminated," he said in this regard, "so that we will not become accustomed to it, since it can make coexistence nonviable."

The minister of interior also stressed that the great fight for police efficiency must come from citizen cooperation, and said that there is greater confidence, morale, and freedom in the police force, with good consequences.

Later on, in referring specifically to the Basque country, he indicated that "the greatest problem is to break through the State Security Forces' blockade at the people's level."

He concluded by saying that "it is a question of developing a state operation in the Basque country and I am ready to have my department undertake a major effort in this regard."

During a press conference, trade union representatives reported that they have presented a plan to Minister Roson for solutions to some of the problems of the Navarre Basque region.

The plan contains 18 points, including:

- The avoidance of temporary and provisional posts in police staffs in the Basque country and the provision of personal security measures for the staffs.
- The provision of equipment: three times as many armored K vehicles, with mobile transmission equipment; provision of basic security equipment for buildings housing police department employees.
- Accelerated implementation of the administrative procedures provided and authorized by the Penal Code to enable officials to frequently change license plates and identity papers.
- A ban on the publication of photographs and names of top-level officials of the police corps.

- The provision of bulletproof vests, which would reduce casualties by 80 percent.
 - The provision of suitable ammunition and armament, as well as the availability of target practice.
 - Coordination among the various state security organizations.
 - The granting of comparable economic compensation for all employees stationed in the area, and an increase in vacation time to twice the length that has been customarily granted.
 - Training in the techniques of urban guerrilla warfare and of psychological warfare.
 - Commitment from each official to remain a minimum of 3 years in the Basque country.
 - Coordination is needed from representatives of all institutions (judges, district attorneys, governors, special governmental delegates, parliamentarians, the autonomous government, etc.) to attain effective results.
- Antiterrorist efforts are the task of all, not exclusively that of the police.

8255

CSO: 3110

EUROPEAN SOCIALISTS DISCUSS BASQUE TERRORISM

Bilbao EL CORREO ESPANOL-EL PUEBLO VASCO in Spanish 15 Jul 80 p 15

[Report on meeting at Campa de Urt (Bayonne, France) in July 1980 among PSOE [Spanish Socialist Workers Party] leader Enrique Mugica, Navarra Socialists Secretary Gabriel Urralburu, Socialist International leader Willy Brandt, and PSF [French Socialist Party] Secretary General Francois Mitterrand]

[Text] Bayonne (EFE)--The economic crisis and terrorism were the main subjects of the addresses delivered last weekend by Enrique Mugica, an officer of the Spanish Socialist Workers Party, and Gabriel Urralburu, secretary of the Navarra socialists, in the course of a meeting held at Campa de Urt near Bayonne during the celebration held by the French Socialist Party in the department of Basses-Pyrenees called "Rose Day."

Socialist International leader Willy Brandt and the secretary general of the French Socialist Party, Francois Mitterrand, were present at the celebration.

Gabriel Urralburu began by extending greetings to all those present "from all of the socialists of Navarra and all of the socialists of the Basque country."

He went on to appeal to the French socialists for solidarity in the struggle for freedom "against those who want to destroy that freedom with arms. We appeal for this solidarity because in Navarra, which is Spain, and in the Basque country, an undeniable part of Spain, we are building democracy in the difficulties caused by the economic crisis and terrorism."

The Navarra socialist leader spoke of the efforts being made in Spain to transform a centralized state into one which is profoundly autonomous, an effort, he added, which "has in Navarra and the Basque country an enemy of the construction of democracy--terrorism."

At that point he said that in the days of the dictatorship in Spain, armed organizations developed which "despite the fact that they were mistaken too, combated an undemocratic regime. Today the military and political-military ETA are combating the heart of Spanish democracy."

After stating that these organizations "must encounter the opposition of the Spanish, French and European socialists," he said that "there are precisely certain sectors in France which have not been among those working hardest to help us to combat terrorism in Spain, while this terrorism will also come to affect freedom in France and the construction of Europe."

He spoke of the action pursued against the University of Navarra, arguing that it had been carried out in the midst of the San Fermin celebration. "They do not even want to allow a people to hold its celebrations in freedom," he specified.

He concluded with an appeal to the French Government for an effort to help Spain eradicate terrorism.

Enrique Mugica, for his part, focused his words on the two problems he termed the principal ones in Spain--consolidation of democracy, which has been threatened by terrorism, and overcoming the economic crisis, which must be accompanied by the entry of Spain into the European Economic Community.

In this connection he explained that the "construction of a better and more just Europe cannot be trampled under by egoistic postures. We urge entry into the European communities as a full right, not on bended knees. We urge this because we are Europe. It can no longer be asserted that there is no democracy or freedom in Spain."

On the subject of terrorism, the socialist leader stressed that it must be combated in solidarity by all the peoples of Europe, and in this connection he noted the position of Germany and Italy in their respective struggles against terrorism.

"The ETA," he added, "has nothing to do with the freedom of the Basque people. We especially appeal for the solidarity of the French socialists, for it is in this sector that the ETA finds its sanctuary."

Willy Brandt spoke briefly, mentioning the electoral campaign and emphasizing the need to strengthen cooperation and reconciliation, "which are characteristics corresponding to the people, profoundly socialist virtues."

The final address at the meeting was delivered by Francois Mitterrand, who praised the socialist virtues of Willy Brandt in connection with the elections which will be held in Germany this coming October.

He also voiced the hope he places in the Spanish Socialist Workers Party, the strengthening of which represents a hope for Spain. In this connection he praised "the profound socialist traditions of the PSOE, evidenced during the long silence of the Franco era."

FRENCH POLICE INTERROGATE BASQUE 'ANAI ARTEA' ORGANIZATION

Bilbao EL CORREO ESPANOL-EL PUEBLO VASCO in Spanish 13 Jul 80 p 15

[Text] San Sebastian, 12 Jul--A number of individuals in San Juan de Luz, including Angel Arregui, the secretary of Anai Artea, an organization dedicated to aiding Basque refugees, were summoned yesterday by the French judicial police to appear at the commissariat in this locality for questioning about the disappearance of refugee Jose Miguel Echevarria, alias "Naparra" or "Bakunin."

As is known, Echeverria, presumably a member of one of the autonomous commands, disappeared from San Juan de Luz a month ago. Subsequently, the Spanish Basque Battalion announced that "Naparra" had been killed.

The French police questioned Arregui about whether he knew Echevarria and whether he had on any occasion spent the night at the Anai Artea headquarters.

Search Ends

The search operation organized by parties of the left and those working for amnesty with a view to finding the body of "Naparra," reported dead and buried in the French zone of Xantago by the Spanish Basque Battalion, ended yesterday without success.

About 100 persons, including the parents of the missing individual, participated in the search.

After the search ended, "Naparra's" parents went to Bayonne in order to meet with the general secretary of the PSF [French Communist Party], Francois Mitterrand, to ask him to exert pressure on the French authorities to take an active part in the search for their son. Also, they intend to meet with the sub-prefect and the archbishop of Bayonne.

5157

CSO: 3110

FRENCH CRITICIZED FOR NONCOOPERATION IN ANTITERRORIST EFFORT

France Accused of Negligence

Paris LE FIGARO in French 30 Jun 80 p 1

[Article: "Two Objects of Wrath"]

[Text] The "beach war" begun last week by ETA [Basque Fatherland and Liberty Group] separatists spread Saturday to the Costa del Sol. A bomb, the sixth in 4 days, was set off in Estepona, a city between Malaga and Gibraltar. Fortunately, this latest blast caused only an electric power outage. The provincial governor immediately announced that special security measures had been taken and that more than 800 policemen and civil guardsmen had been deployed throughout the region. Yet despite the appeals of Tourism Minister Gamil who contended that "there are no more bombings here than elsewhere," Basque terrorists do seem to be achieving, little by little, the psychological effect they want to produce. Persons entering Spain via the French border are becoming fewer and fewer, travel agencies are beginning to receive cancellations, and many hotels are still half empty.

We must not, however, overlook the undoubtedly important part which the present price explosion in Spain plays in this "desertion" by tourists.

The wrath this wave of bombings has provoked among Spaniards is, paradoxically enough, being turned against France. The Spanish minister of interior recently accused France of closing its eyes to the "subversive activities" of Spanish Basque terrorists who have taken refuge on the French side of the border. The minister claimed that France "is the base of operations for the current antitourism campaign." Spanish hotel operators sent Giscard d'Estaing a telegram Saturday protesting France's "negligence" in the effort to combat Basque terrorism.

In the Basque region itself, it is still the usual sad story: three persons were slain in a terrorist attack at Azcoitia on Saturday. Even though nobody claimed responsibility for this act of terrorism, everything indicates it was yet another ETA action.

Refuge for Basque Terrorists

Paris LE FIGARO in French 30 Jun 80 p 3

[Article by Jacques Mesari: "Small Bombs, Big Effects"]

[Text] It is now evident that the ETA's small bombs have, as was feared, made one major victim, namely the Spanish tourist trade, and are harbingers of what I dare say will be a lusterless vacation season for the peninsula. As has been the case with previous bombings, the latest ones on the Costa del Sol caused only very slight damage. But as I was told yesterday by a French customs agent whose work at the border has declined drastically because of events in Spain: "The damage is being done in people's minds."

Both of us were amazed at the fact that at the Pethus border station on the direct superhighway from France to Barcelona, moderately pessimistic officials had opened only two of the four gates. A few hours later, there was only a single line of traffic, and it was generally moving satisfactorily.

Late in the afternoon, when traffic usually hits its peak, the customs agent and I clocked merely some 15 vehicles per minute. This is a ridiculously low rate for this time of the year, a rate without precedent for the past 20 to 25 years. Half of the cars were from Germany and Holland, one-fourth from adjacent French departments--Girandoux-style travelers--and two-or three-tenths of the travelers were Spaniards working in France and whose cars are registered in our country, Spaniards who don't care a hoot about Basque explosives.

At the Jonqueres border station, the scene a week or so ago of incidents between French farmers and Spanish truckers dozens of heavy trucks were parked and taking their Sunday rest, while shops along the first kilometer of the highway leading into Spain were, to all intents and purposes, shedding tears as big as pesetas while awaiting hypothetical customers.

Behind the counters of distressed souvenir shops, clerks wistfully recalled the halcyon years of huge traffic jams when waiting tourists fainted under the rays of the blazing sun or squandered their brand new foreign currency in an effort to kill time. That time was money in the eyes of the border trade.

Yesterday, there were no traffic jams, no faintings, and no sales of any kind. Behind the counter at the official foreign currency exchange office, one of the two clerks was perfunctorily skimming through the local newspaper while the other was finishing a detective novel he had begun reading the day before.

At the Cerbere border station along the secondary mountain and coastal road, we could have organized a game of "petanque" in the middle of the highway, provided, of course, we had been able to round up enough players. To replace the noise of absent car engines, Spanish customs agents were listening to frenzied and old-fashioned pasodobles.

The day before, in Benidorm--a summer resort town with a heavy concentration of French, Dutch, Belgian, German, and Swedish tourists--restaurant, hotel, and beach operators, and shopkeepers of all kinds were counting the same customers three times, closing their eyes as one does when counting sheep to go to sleep. This is simply their way of raising their spirits even though business is slow.

For the past 3 or 4 days, tourist officials in Madrid, Alicante, and Seville have been asking for more radio and television time to reassure everyone that there is no reason to give up in despair, that the tourist season has merely started badly, and that there are bombings also in Italy, the Federal Republic of Germany, and elsewhere without thereby hurting the tourist gold mine. And lastly, if France were very shortly to stop granting asylum in its southwestern departments to Basque terrorists, then everything would eventually run smoothly in the best of Spains.

It is said that during Prime Minister Raymond Barre's visit to Madrid this week, Spanish officials will tender him a few diplomatic protests. If they do, Barre could reply with one sentence, namely that the explosion Frenchmen fear the most in Spain is the price explosion. Especially since they are already being hard hit at home during the other 11 months of the year.

8041
CSO: 3100

ANTITERRORIST ABILITIES OF DEMOCRATIC GOVERNMENTS QUESTIONED

French, Spanish Government Nonsupport

Barcelona LA VANGUARDIA in Spanish 19 Aug 80 pp 3-4

[Statements by Spanish Government Special Security Affairs Representative to the Basque Area Gen Saenz de Santamaria]

[Text] (EFE and Europa Press)--Gen Saenz de Santamaria, the special representative of the Spanish Government to the Basque area for security affairs, stated yesterday in Oviedo that the problem of ETA terrorism would already be in the process of resolution if France had cooperated, and also that the lack of jurisdiction allocated to the Basque government is benefiting the ETA.

The government representative in the Basque territory, who spent a few days relaxing in the village of Luanco on the Asturian coast, made some statements to the press published today by NOJA DEL LUNES in the Asturian capital of Oviedo.

In his statement he stressed the role France plays in the ETA problem, saying the following: "If that country had cooperated, the ETA problem would be on the way to resolution, but France has held back in order to avoid difficulties with the French Basques. The authorities in that country say that they are preventing collection of the revolutionary tax in their territory, but this is not true, for the tax is being paid in San Juan de Luz and no one reports anything. Obviously this tax is not being paid in Spain because the terrorists find their best refuge outside our frontiers. This is the case with the ETA in Spain and the IRA in Ireland."

Authority for the Basque Government

On the other hand, on the subject of the transfer of authority to the Basque country, he said:

"I support speeding up the assignment of jurisdiction from the central government to the Basque government. Since Basque government autonomy went

into effect very little authority has been transferred and this is contributing to weakening it to the benefit of the ETA. If it does not have the necessary jurisdiction to develop an effective government, it will be faced with a difficult situation with regard to its electorate," he stressed, speaking of the Basque Nationalist Party.

The general said that in the Basque country the ETA is encountering ever-greater difficulty, but that "as long as it has support from abroad and from a part of the Basque people, it will continue to be a dangerous organization."

The official in charge of the antiterrorist struggle in the Basque territory added that this activity is "difficult, slow and involves unspectacular successes." He pointed to strengthening of the intelligence services and a psychological campaign with the people, in addition to political measures, as the tools in the battle.

He voiced his opposition to forceful measures such as army intervention or a declaration of a state of emergency, "because this is precisely what the terrorists want.

"The difficult thing is to combat terrorism within the law, but it is here that we must wage the battle," he stressed.

Gen Antonio Saenz de Santamaria also said that "the ETA is seeking territory and a source of supply in Navarra," after specifying that "Navarra is not the Basque country and its citizens do not want integration."

He also said that the campaigns for amnesty in the Basque territory are dictated by the fact that the ETA needs its veterans who are currently in prison "to carry out broad-scale actions," and he regards negotiation with the terrorist organization by the government as impossible, since the organization is made up basically of autonomous and isolated commands.

The general said that he has no doubt about the presumed links between Herri Batasuna and Euskadiko Eskerra and the terrorist organization. "To deny it would be like denying the relations between the guerrilla fighters of Cristo Rey and Fuerza Nueva [New Force]."

Saenz de Santamaria said in conclusion that "it is clear that the terrorists in the Mediterranean countries and Ireland are not acting freely or independently, but it is also possible to fall into the error of thinking that it is all being pursued to serve the interests of Moscow."

Negotiation Impossible

With regard to possible negotiations between the military ETA and the government, he said: "This is impossible. The ETA acts in compartmentalized

fashion so that the collapse of one command will not bring about the collapse of the entire organization. One would not know with whom to negotiate. No one could give guarantees, because the command acts autonomously and in isolation."

When asked whether terrorism is the main problem in the country, he responded: "It is very difficult to establish an order of priorities. Spain is confronted with three major problems--the economic problem, the problem of autonomy and the problem of terrorism. Naturally, the economic situation conditions everything."

Finally, to a question as to why he did not accept the post of minister of interior during the last crisis, he answered: "Because I make any post conditional on my continuing in the army, where I want to be, and to which, moreover, I am accustomed."

Democratic Counterterrorist Efforts

Barcelona LA VANGUARDIA in Spanish 14 Aug 80 p 8

[Article by Jean-Francois Revel: "The Problems of Freedom: Terrorism in Democracy"]

[Text] It is supremely unjust that terrorism exists under those political systems in which it is easy to act and in which it is superfluous--the democracies. It is superfluous because it is precisely in democracies that procedures for opposition without violence are provided. It is easy because democracies are the only regimes which cannot, without destroying themselves, allow the use of the police network and the expedient methods which are the only ones capable of preventing or eliminating this evil.

In April we gave credit to the Italians for the resistance of their democracy to the double temptation of the dictatorship and counterrorism by the state, despite more than 10 years of bloody violence, and we must continue to praise Italy for its fidelity to democracy. However, cold-blooded action does not put an end to bloodshed, and in Italy, although democracy survives--and it is much better thus--the victims have not been brought to life again, and the assassinations by the Red Brigades or the autonomous units have not ceased, despite some recent successes achieved in the struggle against armed subversion.

There are citizens who die because the Red Brigades see in them the embodiment of the Fascist state, and the Fascists--if, as the authorities believe, they are the authors of these deeds--perpetrated the slaughter in Bologna on behalf of an argument precisely opposed to that, i.e. the weakness of the state. They also claim to be "revolutionaries," just as all assassins claim to be "political," in particular in our present age. However, the political hue of their assassins matters very little to the victims. And the results are the same.

As to the state in question, it is unsuccessful in reducing, in any enduring fashion, the activities of the terrorist organizations which democracy, by definition, cannot eliminate, since these organizations owe their longevity and their almost total impunity to the very freedoms whose existence they deny. In this way terrorism has been able to perpetuate itself for years in Northern Ireland, to spread to Spain despite, or rather thanks to, the reestablishment of democracy, and to revive in the FRG. What can we do?

A democracy cannot put one out of every five citizens into the police, or close its frontiers, or limit travel within the country by individuals, nor deport people according to need--as we have just seen done in Moscow. Nor can it have all hotels and apartments closely watched or keep detailed records of all travelers and their baggage and vehicles. If democracies could engage in these totalitarian practices, they could speedily succeed in putting an end to terrorism within them and in intercepting the messages terrorists receive, if such is the case, from abroad.

Nor can democracies tolerate the counterterrorism by the state which Argentina has used against the guerrilla fighters and their presumed accomplices, many of whom were innocent, nor could it be compatible with the divine-right terrorism which prevails in Iran. And it is a bitter paradox that the so-called Iranian government should accuse France of complicity in so-called terrorism against Khomeini, when it was the Ayatollah's terrorists who benefited from our French complicity in 1978.

Iran engages in state terrorism, kidnaping diplomats, shooting and torturing and stoning people to death, while accusing the United States of violating the rights of man, and Great Britain as well, when Iranian demonstrators are asked to show their identity papers.

Once again, democracy has no weapons to defend itself against terrorism, be it of domestic or foreign origin. The struggle is an unequal one between assassins disguised as political militants, who not only invoke all the guarantees the judicial system legitimately offers defendants, but also threaten death to those judges who dare to convict them and to journalists who take the liberty of censuring them. We have repeatedly seen that these threats are not idle. It always comes back to the same point. Fortunately, Italian terrorism has not succeeded in bringing down democracy, but unfortunately, Italian democracy has not succeeded in ousting terrorism either.

What is to be done, then? The strikes organized after the attack in Bologna were laughable, and in addition, like terrorism, they punish not the assassins but institutions such as the state, public departments and enterprises. The political use the Italian Communist Party (PCI) is prepared to make of the tragedy to attack the Christian democrats is dishonorable and indecent. Does the PCI perhaps know of a method making it possible to combat terrorism efficiently without attacking freedoms and without establishing a parallel police force like the Secret Armed

Organization, better known as the OAS? If so, let it say so, and if not, let it explain the emergency measures it would be disposed to tolerate temporarily with a view to correcting the situation. But this party only thinks of profiting from the drama to urge its everlasting national unity government, which is nothing but a political compromise designed to put it in power, and not a supplementary weapon in the struggle against terrorism.

Terrorism in a democracy is due to the ideological insanity of unrepresentative minorities which utilize the legality in effect to achieve political weight. Their crimes are against mankind, like those committed by the Nazis or the Khmer Rouge, and should be treated thus. Democracy must regard itself as being at war against terrorism--precisely as it was against Nazism. Otherwise, harrassed from abroad by the Soviet totalitarian imperialism and from within by the convulsive degeneration of terrorism, the small democratic island called Western Europe will only have, beginning now, a limited life expectancy.

Problems in Combating Terrorism

Barcelona LA VANGUARDIA in Spanish 20 Aug 80 p 8

[Article by Ramon Pi: "Democracy Against Terrorism"]

[Text] Madrid, 19 Aug --The statements by Gen Saenz de Santamaria, the special security affairs representative of the government in the Basque country, have been widely reported, and rightly so. This man who is seemingly austere but in fact overflowing with humanity, a sense of humor and common sense, according to all those who know him, is above suspicion as a military officer from head to foot, lacking any political ambition or interests except those involved in his mission.

Well then, General Santamaria has just insisted on something which had been said before: success in the struggle against ETA terrorism is conditioned by an expanded capacity of the Basque territory to govern itself. The general complains that the Basque government does not have sufficient jurisdiction and says that this is working to the benefit of the ETA. He adds, although without any polemic intention with regard to Mr Praga, that the solution to Basque terrorism does not lie in killing more terrorists than policemen, as the leader of the Popular Alliance had claimed, but in ensuring that neither terrorists nor policemen die.

On the subject of the authority of the Basque government, more precision is needed with a view to the better understanding of what General Santamaria said--except that he himself explained his words in another sense. The lack of authority for self-government works in favor of the ETA, but this does not mean that full self-government will put an end to terrorism. On the contrary, everything seems to suggest that the type of state to which the ETA aspires (if it still aspires to any type of state) is Marxist-Leninist, of an Albanian sort. To make ourselves clear, the conditions under which

self-government would presumably be achieved not not, naturally, Albanian by any means. If there are two different ways of conceiving of coexistence, they are those of the UNV (Basque Nationalist Union), a force with an overwhelming majority in the Basque country, and that of the Albanian regime.

General Santamaria also referred to the difficulty of combating terrorism under a democratic system and indicated his support of attempting it at all costs without recourse to emergency measures affecting the entire population and without army intervention. This is an important question, related both to the combative statements by Mr Praga and the ideas published in this periodical (see LA VANGUARDIA, 14 August 1980) by Jean-Francois Revel. For the relation between the state and terrorism is not the same as that between the state and common criminality, and Gen Saenz de Santamaria himself recognizes this when he says that the phenomenon of terrorism is a variation of subversive warfare, replacing conventional warfare since the alternative of nuclear warfare would mean total disaster.

Revel does not go on to specify the articulation of his generic proposal for struggle against terrorism, but he has already said enough when he asserts that "democracy must regard itself as being at war against terrorism, precisely as it was against Nazism. Otherwise," Revel says, "harrassed from abroad by Soviet totalitarian imperialism and from within by the convulsive degeneration of terrorism, the small democratic island called Western Europe will only have, beginning now, a limited life expectancy."

Returning to the subject of the Basque territory, General Santamaria's statements represent a kind of confirmation of the need to effect the real transfer of duties and authority as soon as possible and in the way most consistent with the spirit and the letter of the constitution and the Basque statutes themselves. Delay in this matter cannot easily be explained, unless the fact is that the central government has taken the statement by General Narvaez to the effect that "to govern is to resist" too seriously. In this instance, the time the government believes it is gaining may well be lost.

5157

CSO: 3110

FOREIGN MINISTRY PANEL TO EXAMINE IRANIAN TOURISTS' STATUS

LD221037 Stockholm SVENSKA DAGBLADET in Swedish 19 Sep 80 p 1

[Report: "Wave of Iranian Tourists Gives Concern"]

[Text] Over 1,000 Iranian tourists have arrived in Sweden in the last 3 weeks. The foreign ministry has now appointed a commission to clarify whether they are "real" tourists.

The authorities suspect mass defection and that the Iranian citizens will ask for political asylum in Sweden. Another possibility is that they want to study in Sweden.

The Iranians who have come to Sweden in the last few weeks have all had their documents in order. They have return tickets and plenty of ready cash. They can therefore stay in the country for up to 3 months on a so-called tourist visa without special permission.

Normally the flow of tourists from Iran only includes a few people. Arlanda Airport passport police were forced to notice the abnormally large influx of Iranian tourists. The foreign ministry and the ministry for immigrant affairs were informed of the situation.

Last Tuesday (16 September) the foreign ministry called a secret meeting in which representatives of the national police board and the national labor market board took part.

The foreign ministry is worried that Sweden's relations with Iran will deteriorate, and is therefore eager to "keep a low profile."

Several people with whom SVENSKA DAGBLADET has been in contact do, however, confirm that a special Iran commission has been set up. However, no decisions on what steps to take have yet been made. The authorities are waiting until the tourists seek political asylum—or return to Iran.

BRIEFS

SUSPECTED FOREIGN SUB PURSUED--The Swedish Navy dropped a depth charge at about 1400 in the direction of what the navy suspects was a foreign submarine. The suspected submarine is now being chased in the waters around Utö in the Stockholm archipelago by three helicopters and one torpedo destroyer. It was at around 1100 today that the navy spotted what it calls the foreign object just off Utö. Utö is close to the Swedish Naval Base Muskö. [Text] [LD181646 Stockholm Domestic Service in Swedish 1600 GMT 18 Sep 80]

CSO: 3109

ALL STATE RESOURCES TO BE RALLIED AGAINST ANARCHY

Istanbul HURRIYET in Turkish 4 Aug 80 pp 1, 13

[Text] The Government is resolved to utilize all the resources of the State in the struggle against anarchy, and Prime Minister Suleyman Demirel in a notice issued yesterday assigned all the means and capabilities of the state to the fight against anarchy. Thereby governors in cases where they deem it necessary to do so may call upon all of the capabilities of the State immediately.

At the same time the Martial Law Coordinating Council yesterday was reviewing all of the new measures that the Prime Minister was gathering to his office to fight against anarchy.

All the Resources of the State

In the notice on the subject of the struggle against anarchy, terrorism, subversion and divisiveness, which the Prime Minister sent around to all ministries and governors' offices, he said "In the event the governors so request, all State means and resources within the borders of their provinces as specified in the Provincial Administration Law number 5442 shall be placed at their disposition, and this request shall in no fashion nor under any pretext be refused or delayed." The Prime Minister noted that an all out struggle against anarchy was required.

Announcing that upon a governor's request all means and capabilities at the disposition of the provincial and regional organizations subordinate to the various ministries were to be assigned on a priority basis without delay to the requested service, he requested that orders to this effect be issued to the appropriate organizations.

All Out Struggle

Prime Minister Demirel said that his government had taken significant strides up to the present in its merciless struggle against anarchy, terrorism and divisionism and that this struggle would continue and he further stated:

"All State organizations and employees are obliged to assist in the struggle which the public security forces have conducted with great effort and sacrifices. An all out struggle will bring about the ultimate defeat of anarchy, terrorism subversion and divisionism and prevent its spread and evil consequences.

"In order to provide for our national peace and tranquility and to take the most suitable measures against the threats and dangers directed against our state and our regime, it is unquestionable that the ability to turn to and utilise the existing resources and capabilities in a timely and effective manner will increase our chances of success. Thus it is important to provide all necessary assistance to the governors, who are responsible for regional public order and who are in a position to make the first intervention and take the first measures to put down incidents when they occur, so that they are insured the maximum mobility and sufficient strength to do so effectively."

Martial Law Meeting

The expanded Martial Law Coordinating Board yesterday under the chairmanship of Prime Minister Demirel held a lengthy meeting in the briefing room of the General Staff.

In this meeting the martial law commanders gave presentations outlining matters relevant to their regions, and their difficulties and made proposals for dealing with them.

The Ankara Martial Law Commander, Nihat Ozer, made extensive explanations regarding the escape from the Mamak Military Prison of two prisoners sentenced to be executed.

Martial Law practices were reviewed at this meeting and new measures which are to be taken in the regions and with respect to prisons were evaluated. At the same time the mounting anarchy which followed the handling of the Fatsa incident, the Tunceli operations and the incidents in Siverek and its vicinity were given especial attention.

Prime Minister Demirel also discussed the outcome of his meeting in Cankaya with Chairman General of the RPP, Sulent Ecevit, the law giving additional authority to the martial law commanders and the four other laws regarding which agreement had been reached. It was learned that the martial law commanders expressed their satisfaction over the laws agreed upon by the leaders of the two major parties.

It was also learned that the question of housing for the officers and non-commissioned officers assigned to martial law duties as well as other problems were given study. The martial law commanders were put on notice that in the event martial law were extended for another two months in the 20 provinces in which it is being implemented, attention must be paid to intelligence work so as to make the implementation more effective; it was stated that measures being taken by the civilian administration against arms smuggling have been inadequate.

The Participants

The following members participated in the meeting of the Coordination Board: Prime Minister Suleyman Demirel, Chief of the General Staff General Kenan Evren, the Minister of National Defense Ahmet Ihsan Birincioglu, Acting Interior Minister Orhan Eren, Ministers of State Ekrem Ceyhan and Ahmet Karahan, Minister of Justice Omer Ucuzal, Foreign Minister Hayrettin Erkmen, Commerce Minister Halil Basol, Minister of Energy and Natural Resources Esat Kiratlioglu, Minister of National Education Orhan Cemal Persoy, Minister of Customs and Monopolies Ahmet Cakmak, Minister of Youth and Sports Talat Asal, Commander of the Ground Forces General Nurettin Ersin, Commander of the Air Force General Tahsin Sahinkaya, Commander of Naval Forces Admiral Bulent Ulusu, Overall Commander of the Gendarmerie General Sedat Celasun, Secretary General of the National Security Council Admiral Arif Akdoganlar, Second Chief of the General Staff General Haydar Saltik, Commander of the First Army and Istanbul Martial Law Commander Necdet Urug, Commander of the Aegean Army and Martial Law Commander of Izmir General Ali Salt Ozcivril, 4th. Corps and Ankara Martial Law Commander Lt. General Nihat Ozer, 6th Corps and Adana Regional Martial Law Commander Lt. General Nevzat Bolugiray, 7th. Corps and Diyarbakir Regional Martial Law Commander Lt. General Cemalittin Altinok, 8th. Corps and Elazig Regional Martial Law Commander Lt. General Ragip Ulubay, Chairman of the Martial Law Coordinating Board Major General Selahattin Cambazoglu, MIT [National Intelligence Organization] Undersecretary Major General Bulent Turker, plus members of the Directorate of Public Security and MIT.

Two Draft Laws

Discussions will begin tomorrow in the General Council of the National Assembly of two bills, one on "Witnessed offenses" and another on "cash indemnity" upon which Prime Minister Demirel and the RPP Chairman General Bulent Ecevit reached agreement and which were accepted later on by an interparty committee. Meanwhile the RPP Secretary General Mustafa Ustundag said that they "are going to try to have the interparty committee consider a bill calling for tax exemption for all those earnings are below the minimum standard of living."

The Advisory Council of the National Assembly today will prepare a special agenda for the discussion of these two bills which have been agreed upon by the interparty committee. The committee will continue work on the consideration of other bills.

At the same time RPP officials, said that although under present conditions in Turkey the most important problem is anarchy, some corrective measures ought to be taken to ease the situation of persons on small fixed incomes in the face of the increasingly high cost of living. RPP Secretary Ustundag, responding to a question on this subject put to him by HURRIYET, said "My friends who are participating in the interparty committee are going to try to have the committee reach agreement on the matter of lowering the cost of living and forwarding a bill to the general council as soon as possible."

According to what could be learned from RPP officials the RPP was insistent upon having a bill presented on the matter of preventing terrorism and anarchy

which had been introduced during the time of the RPP government. This bill will make clarifications regarding individual terrorists and organizations and calls for a considerable reduction in the sentences of suspects. However one RPP senior official said, "We are insistent upon this bill, which was introduced during the time of our government. However an agreement at top party levels will be necessary in order to present it."

9353

CSO: 4907

METIN TOKER ASSESSES COUP'S ORIGINS, PROSPECTS

Istanbul HURRIYET in Turkish 18 Sep 80 pp 1, 13

[Editorial by Metin Toker: "Turkey: A Country With Many Problems"]

[Text] Iran is not a country to be envied. The fate of the Iranian regime and of Iran's territorial integrity are unknowable. President Bani-Sadr and recently Foreign Minister Qotbzadeh have been among those expressing worry over this. But Iran is a matter for the Iranians.

As a matter of fact, for the last year and a half the question that has been on the lips of foreign journalists in Turkey is whether the "Khomeyni phenomenon" is occurring in our country. I have spoken with many of them. It appears that the question on their lips is the one on the minds of their country's leaders. Almost all of these journalists have returned home reassured. In fact, the Western press has observed that Turkey is not Iran, that Turkey is secular, and that there is no religious official or mulla in Turkey authorized to issue a fatwa (an Islamic juridical opinion). Ataturk has thus triumphed once again.

Why has Turkey not become an Iran? Yes, Turkey and Iran are different. Yes, their revolutions have been endorsed by the nation. Yes, Turkey was a democracy and there is no shah for everyone to unite against. Yes, changes of government could be achieved in Turkey through elections--the people did not have to spill into the streets. "Visitors" would understand these things but they were not much convinced.

At one time we said: "Look, there are two major parties in Turkey. They quarrel a lot; they even fall into total confusion as evidenced of late; they can be blind. But the two of them are not far apart on one point: Turkey is Western and secular. They believe that it will stay that way and that its position in the world will not change. The two major parties represent at least 80 percent of the Turkish people. Their Ataturkist, Inonuist foreign policies, which are essentially the same, have been those of the prior DP (Democrat Party) government, the National Unity Committee government, the JP (Justice Party) governments, and other coalition governments. These two major parties could not rally the nation around a

Khomeyni--beard or no beard--in light of this foreign policy. In fact, a nation without the proper predilection could not be directed otherwise by these parties.

The "visitor" would have understood better given this.

Originally we added: "Mustafa Kemal did not deny the fact that leaders are sometimes heedless, corrupt, and even treacherous. They were so in 1919. In those times Turkey relied on its army. Today the Turkish army's senior chain of command is united around that Atatürkism--not a contrived Atatürkism. When the army goes into action it is a unified whole because, unlike the arm, the shah created for himself, the Turkish army is the army of the nation itself."

This was the principle guarantee for "visitors."

Prior to the advent of the multiparty system in Turkey, a single party formed the bulwark of political life. In the multiparty period, two major parties form the two bulwarks. It seems to me an expected requisite of this system that they occasionally compromise true Atatürkism in a manner that one, at the very least, could call "verbal bribery."

The DP and the JP took the matter far beyond "verbal bribery." Those who publicly endorsed the Koran, like the DP leaders who kissed Said-i Nursi's hand, and who held Koran-oriented demonstrations turned out to be the leaders of the JP. As for the RPP (Republican People's Party), its third general chairman was the one who first raised the NSP, whose temperament was evident, and Erbakan, whose earnestness was evident, to the government and who recounted the tales of "historical errors."

How he must have made the bones of the first two general chairmen turn over in their graves....

Despite all this, neither of the two major parties had ever argued in the Turkish Grand National Assembly over "Turkey's place in the world" as set down by Atatürk. Neither one officially or as a party had given the green light to Khomeynism. Iran and Turkey were different in this regard.

But when all the members of one of the two major parties tragically rallied behind Khomeynist adventurism before the Turkish Grand National Assembly, one of the Republic's two bulwarks slipped. In fact, emboldened by this, green flats were flown a few days later in Konya, where people carried banners written in Arabic. It was a replay of scenes in the streets of Tehran. One major party, which had failed to level proper criticism of the red flags in Taksim Square and even backed the action with some of its own groups, registered a tardy and low-keyed reaction for show to the green flats in Konya. The other major party, which had entered into a piety competition with the NSP and Erbakan, acted as though it were afraid of committing a sin.

Khomeyni had instantly arrived at Turkey's door without the consent or permission of the Turkish people and nation. He tried to pass the hat for his civil war in a country whose government had been gradually decaying since the 1973 elections.

If only there had been an army in Iran honed to the duty of protecting and watching over the state and the people, the country's territorial integrity and the nation's indivisibility, not itself or the shah.

Ours is the army that the Western allies acclaim today. It is the army that the serious Western press praises. The joy we feel comes on the heels of this Atatürkist, secular, pro-Western army's having saved Turkey from the "Khomeyni chaos" and retained for Turkey the place Atatürk designated it.

But we must not forget several things about the honeymoon.

The life of societies like that of men is not a standing lake but a flowing river. Values are not static but fluctuate with changes and developments. The Turkish army has not received the praise of the West simply because it has saved Turkey from the Khomeyni threat. Rather, the army has not given Turkey the appearance of a Greece under the colonels or a Latin America under the generals because it has saved the democratic system--the model for a Western way of life--from leftist and rightist deviations and has defined its goal to restore democracy defined within its true meaning and scope.

As for today....

I am looking through Western eyes. There was nothing at all alarming for democracy or democracies in the plans of General Evren and his colleagues laid out by the head of state during his press conference with the air of an extremely calm and civil man who knows what he wants, is in control of the situation, and has decided the future. This press conference truly excited all who have believed that democracy is the only valid system for Turkey and the one that can afford it well-being. He demonstrated with sincerity that the hands are "community hands." But when Western eyes observe events at some distance they quickly become suspicious. When the Khomeyni phenomenon emerged in Iran they were looking for a "Turkish Khomeyni." On May 27 (1960) they looked for a "Turkish Nasser." They prepare very negative commentary because they cannot readily get at whether an army that has staged a coup really intends to restore democracy. This is true for other armies but not that of Turkey. Besides we must not forget that such armies are not involved with the leaders of Western countries or bound by Western public opinion that uses identical criteria for evaluation. Although the first are more understanding and reasonable, the second would love more sensationalism. A quiet return to democracy in the Turkish case would not be sensational. The passion for sensationalism clearly breeds speculation. What a pity that Western leaders ultimately

formulate their positions under the influence of those who direct public opinion. There is one simple remedy for eliminating the possibility of sensationalism and stopping speculation: tangibly demonstrate that every day we are a step closer to the defined goal. The aim is to render sensationalism and speculation inert even in the face of the most irritating attitudes while at the same time not to give a reactionary impression.

There are incalculable benefits to shortening the interval between phases when the goal is set. Since we know what is to be done, what is the need for delays beyond the time required to set about it the best way? Can we forget how much valuable time was lost in the aftermath of 27 May with the "Istanbul Commission" and then the "Ankara Commission" and after that the "convening of the Constituent Assembly" or the individuals who wasted that time? On the other hand we must not forget the drawbacks to the immediate formation of a government by commissioning teams that bring together the would-be famous and the unknown.

The honeymoon is months of exuberance. But every honeymoon comes to an end. The honeymoon is treasured that becomes the basis of life-long happiness...especially for the marriage partners with many problems.

Such a shame it is that we have so many problems here and abroad.

CSO: 4907

IMPACT OF GOVERNMENT APPROACH TO LABOR DISCUSSED

Istanbul CUMHURIYET in Turkish 15 Aug 80 p 5

[Article by Sukran Ketenci]

[Text] In the beginning of February when the Demirel Minority government was revealing its economic model everyone was in agreement that the question of workers' rights headed the list of the major problems facing the country. With collective bargaining contracts involving 700 thousand workers in the KIT's [State Economic Enterprises] alone the administration was faced with two alternatives in its efforts to realise an economic model based upon the principle of freezing workers' wages. The natural one, to accept a wage increase which would at least permit the workers to offset the effects of inflation on their standard of living, would have required abandoning Demirel's economic model and foregoing IMF credits. If the choice was to be a wage freeze how was the prospect of major strikes, particularly in the KIT's, to be averted. A plan was put into effect which from the stand point of the government was extraordinarily successful in the sense that it meant winning the match for the day at least.

First the employers' organizations and then later government spokesmen began a campaign directed at workers' rights. This intensified campaign, in summary, hit at the following points: workers rights and wages are too high; the way to fight inflation is to freeze wages. A whole series of entitlements came under consideration for curtailment.

A strange sort of a game was being played. The Ministry of Finance with one circular letter turned longevity rights into [worthless] paper. Workers were not paid for the claims they were entitled to. Bills were prepared to bring belated entitlements to farm workers which had been pending 20-30 years. The sliding scale was moved on the agenda. There was talk about doing away with the check-off system of union dues and about laws to control the unions. Workers and especially salaried union officials who had no other employment were thrown into a panic.

At this point, wittingly or unwittingly the professional trade unionists also entered into the government's game. These veteran professional trade unionists, who understand the weaknesses of the workers and their unions very

well and who are still guiding the labor movement, first heightened the tension. Whatever reaction developed within Turk-Is to the assault against workers' entitlements was raised to the point of danger.

The public, not knowing the ins and outs of the matter and in the atmosphere prevailing toward the end of May, expected a major explosion from Turk-Is. Turk-Is promised to oppose all attacks against union leadership and workers' entitlements.

Although the general disposition on the part of the leaders of the unions affiliated with Turk-Is was to resist, the Prime Minister, by taking part for the first time in history in a meeting organized by a workers' organization to debate actions to be taken against him, succeeded in deflating this balloon. The strange game had paid off. The workers were mollified when the entitlements which they should have been getting anyway returned to them in the form of a new compensation, and the pending resolutions to take action against the seizure of workers' entitlements were dropped by decision of the Executive Committee of Turk-Is.

At the same meeting of the Turk-Is Executive Committee it was agreed to meet with the Coordination Council proposed by the Government to deal with the question of labor contracts for 700 thousand workers. The workers and unions waiting for collective bargaining contracts were put off for quite a long period by meetings of this Coordinating Council between the Government and Turk-Is. It appeared to be natural and normal. In this manner long periods of negotiation were necessitated to settle contracts of major scope and for the two sides to work out long range economic calculations.

Moreover these negotiations were scarcely into their first days when the powers in Paris which had suspended IMF credits sent their representatives to Turkey bringing with them conditions for the resumption of these credits including a freeze on wages and avoidance of major strikes in June. After receiving guarantees that wages would be frozen and strikes avoided the credit faucets were reopened. Moreover, while these issues were being resolved in such a manner and wage increase thus limited the attention of the workers and trade unions, who were ignorant of all of this, were being drawn to the workings of the Coordinating Council.

The Government was not content with merely gaining time: they also discriminated between unions on the basis of ideology. Without reference to Coordinating Council principles a number of unions were favored just on the basis of their JP or NAP sympathies. So saying, one day when Turk-Is and the Coordination Council were meeting the Chairman General's union was rewarded with far greater entitlements than the wage increases which were called for here.

This episode was the consequence of the dilatory tactics of the Coordination Council, but a great amount of time was gained, and the unity among the unions was broken. Petrol-Is, which came out in opposition to the Coordination Council was offered 25-25 by the same government which gave 50-50 at Tekel. This was really a mockery, and the union ordered strikes at all their work-sites as a consequence. However a delay of 30 days, which was later raised

to 60 days, was imposed. In the same manner the strikes of DYP-Is [Federation of Turkish Railroad Workers Unions], which later separated from the Coordination Council, were suspended, and as a matter of fact all of the unions at the TIT's [State Economic Enterprises] that took strike decisions had them suspended. At this point the democratic unions were seized by panic and really, considering today's conditions, made some very bad contracts, whereas the JP-NAP sympathisers were protected.

The up-shot of all this was that half of the 700 thousand workers at the TIT's who could collectively resist the government, signed contracts. The strike phase for those who had come to that point was postponed. And the Government introduced the question of early elections. In short, if the Government can achieve early elections, it would not be inaccurate to say that "The game it played to prevail over workers' entitlements has been won." However, even though belated, the unions and the workers have taken note of this game. The Government, in a misuse of the law, is putting an end to the strike postponement right. What will happen if this ugly, unjust game turns out all wrong after September?

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CSO: 4907

PERSONNEL PROBLEMS IN PROVINCIAL ADMINISTRATION NOTED

Istanbul HURRIYET in Turkish 20 Aug 80 p 3

[Text] In the face of the continuing anarchy it appears that quite a few districts are lacking in administrative officials. While 130 districts have no sub-prefects (Kaymakam) the number of Governors grows with each passing day. Efforts are under way to make new additions to the 193 governors already appointed, 128 of whom are without portfolio at the center. It was stated in the Interior Ministry that new slots are being created in order to promote several successful police chiefs to the position of governor.

Officials of the Interior Ministry state that when governments change the number of governors are increased, whereas the shortage of Kaymakams cannot be alleviated no matter what. Some of the Kaymakams have not been able to endure the political pressure and have resigned and therefore the shortage of these officials has grown little by little, they said.

As a consequence of the large number of changes which are made among the governors immediately after each change in government the number of governors without portfolio have increased. It was announced that there are currently 128 persons in this status at the Central Governors' Office. The appointment by the Interior Ministry of a number of police chiefs to this office, where they are not serving actively as governors, has been the cause of a certain amount of uneasiness in the Ministry.

The Staff of Governors is Growing

Officials of the Ministry of the Interior said that a move is underway toward increasing the number of slots for governors, presently at the level of 193. The ministry is going to make 10 new governorship appointments, they stated, and work toward this end is in its final stages.

It is said that the reason for the gradual increase in the number of centrally based governors lies in appointments to these slots of those not actively assigned as governors. Most recently the Senior Legal Advisor of the Interior Ministry Bahattin Ablum, Konya Police Chief Hamza Esin, Istanbul Police Chief Sukru Balci and the Senior Deputy Director of Public Security Turan Senel were appointed in this capacity. The number of such appointments over the past three years has amounted to 9.

With the addition of the ten new governor slots there will be an average of three governors for each province.

Because of a lack of Kaymakams their functions are being carried on by their staff officials, district finance officers, district commanders of the Gendarmerie, agricultural engineers; police officials state that anarchistic incidents are more numerous in districts that have no Kaymakam and that therefore it is necessary to find a solution to this problem as soon as possible.

Officials of the Interior Ministry noted that 66 sub-prefectural staff officials had been enrolled in kaymakam training courses and that those who complete the courses successfully would be sent out to their districts as kaymakams. They stated that newly hired staff officials would be appointed to districts with openings as soon as they had completed a period of apprenticeship.

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NEW REQUIREMENTS FOR TEACHERS ENVISIONED

Istanbul CUMHURİYET in Turkish 12 Aug 80 pp 1, 9

[Text] Minister of National Education Orhan Cemal Fersey says that the future is dark for teachers who allow themselves to be swept up by ideological currents.

Fersey announced that the laws and administrative disciplinary measures will be applied unsparingly against teachers who involve themselves with ideological organizations and doctrines.

The Minister of Education, who has been in the Aegean region for some time in connection with investigations being made by the Ministry, held a press conference in the province. At this gathering Fersey made some disclosures regarding pre-school institutions, basic education, first and second echelon schools, middle school instruction and new regulations on the assignment and transfer of teachers.

The Minister stated that under the new regulations for the first time in the history of the Republic teachers will be obliged to accept assignments, for periods such as three years, in remote areas of the country. "In this way," he said, "A teacher will have the opportunity to get to know his country, and at the same time educational services will be provided to the most distant parts of the land." Fersey stated that spot assignments had been eliminated with the new regulations and that transfers would be made in July and new assignments in August. He went on to say:

"...Assignments under the new regulations will be made in depot [sic] fashion, however special circumstances such as health, married state, children's educational requirements, etc. will be taken into consideration. At the same time teachers who have completed 20 years of service will be granted the right to select their posts."

Teachers to Serve in Four Regions

According to the substance of the new regulations which go into force with their publication in the RESMI GAZETE, said the Minister, the country has been divided into 4 regions of service. "Changes in these service areas," he added,

"will be made after a five year review..." Assignments and transfers will be based upon need and empty positions, he said. "Committees will determine the positions and the governors and National Education Directorate will be authorized to approve them." He went on to say that "...These regulations are designed to put an end to situations where some schools have empty class rooms due to lack of teachers and in other provinces teachers find difficulty in finding a class because of a teacher surplus."

Purposeful Hiring

Fersoy claimed that under the previous government, whereas the requirement for middle school teachers had been determined to be 10,300, in actuality 34 thousand had been newly appointed, and he went on to say:

"Again, under the previous government 34 thousand middle grade teachers, of which 19 thousand had received accelerated training, and 49,169 elementary school teachers, 24 thousand of which had received accelerated training, in all 84 thousand teachers were assigned. This number approaches the figure for the entire 58 years of the Republic."

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